

Adopted	Rejected
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## COMMITTEE REPORT

YES:	18
NO:	5

### MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred Senate Bill 19, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

1       Page 1, between the enacting clause and line 1, begin a new  
 2       paragraph and insert:  
 3       "SECTION 1. IC 6-1.1-12.1-4.5, AS AMENDED BY P.L.137-2007,  
 4       SECTION 3, AND AS AMENDED BY P.L.219-2007, SECTION 31,  
 5       IS CORRECTED AND AMENDED TO READ AS FOLLOWS  
 6       [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 4.5. (a) For  
 7       purposes of this section, "personal property" means personal property  
 8       other than inventory (as defined in IC 6-1.1-3-11(a)).  
 9       (b) An applicant must provide a statement of benefits to the  
 10      designating body. The applicant must provide the completed statement  
 11      of benefits form to the designating body before the hearing specified in  
 12      section 2.5(c) of this chapter or before the installation of the new  
 13      manufacturing equipment, new research and development equipment,  
 14      new logistical distribution equipment, or new information technology  
 15      equipment for which the person desires to claim a deduction under this

chapter. The department of local government finance shall prescribe a form for the statement of benefits. The statement of benefits must include the following information:

(1) A description of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that the person proposes to acquire.

(2) With respect to:

(A) new manufacturing equipment not used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products; and

(B) new research and development equipment, new logistical distribution equipment, or new information technology equipment;

an estimate of the number of individuals who will be employed or whose employment will be retained by the person as a result of the installation of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment and an estimate of the annual salaries of these individuals.

(3) An estimate of the cost of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment.

(4) With respect to new manufacturing equipment used to dispose of solid waste or hazardous waste by converting the solid waste or hazardous waste into energy or other useful products, an estimate of the amount of solid waste or hazardous waste that will be converted into energy or other useful products by the new manufacturing equipment.

The statement of benefits may be incorporated in a designation application. Notwithstanding any other law, a statement of benefits is a public record that may be inspected and copied under IC 5-14-3-3.

(c) The designating body must review the statement of benefits required under subsection (b). The designating body shall determine whether an area should be designated an economic revitalization area or whether the deduction shall be allowed, based on (and after it has made) the following findings:

1 (1) Whether the estimate of the cost of the new manufacturing  
2 equipment, new research and development equipment, new  
3 logistical distribution equipment, or new information technology  
4 equipment is reasonable for equipment of that type.

5 (2) With respect to:

6 (A) new manufacturing equipment not used to dispose of solid  
7 waste or hazardous waste by converting the solid waste or  
8 hazardous waste into energy or other useful products; and

9 (B) new research and development equipment, new logistical  
10 distribution equipment, or new information technology  
11 equipment;

12 whether the estimate of the number of individuals who will be  
13 employed or whose employment will be retained can be  
14 reasonably expected to result from the installation of the new  
15 manufacturing equipment, new research and development  
16 equipment, new logistical distribution equipment, or new  
17 information technology equipment.

18 (3) Whether the estimate of the annual salaries of those  
19 individuals who will be employed or whose employment will be  
20 retained can be reasonably expected to result from the proposed  
21 installation of new manufacturing equipment, new research and  
22 development equipment, new logistical distribution equipment, or  
23 new information technology equipment.

24 (4) With respect to new manufacturing equipment used to dispose  
25 of solid waste or hazardous waste by converting the solid waste  
26 or hazardous waste into energy or other useful products, whether  
27 the estimate of the amount of solid waste or hazardous waste that  
28 will be converted into energy or other useful products can be  
29 reasonably expected to result from the installation of the new  
30 manufacturing equipment.

31 (5) Whether any other benefits about which information was  
32 requested are benefits that can be reasonably expected to result  
33 from the proposed installation of new manufacturing equipment,  
34 new research and development equipment, new logistical  
35 distribution equipment, or new information technology  
36 equipment.

37 (6) Whether the totality of benefits is sufficient to justify the  
38 deduction.

The designating body may not designate an area an economic revitalization area or approve the deduction unless it makes the findings required by this subsection in the affirmative.

(d) Except as provided in subsection (h), and subject to subsection (i) *and section 15 of this chapter*, an owner of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits is approved after June 30, 2000, is entitled to a deduction from the assessed value of that equipment for the number of years determined by the designating body under subsection (g). Except as provided in subsection (f) and in section 2(i)(3) of this chapter, and subject to subsection (i) *and section 15 of this chapter*, the amount of the deduction that an owner is entitled to for a particular year equals the product of:

- (1) the assessed value of the new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment in the year of deduction under the appropriate table set forth in subsection (e); multiplied by
- (2) the percentage prescribed in the appropriate table set forth in subsection (e).

(e) The percentage to be used in calculating the deduction under subsection (d) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd and thereafter	0%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%
3rd and thereafter	0%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%
4th and thereafter	0%

1	(4) For deductions allowed over a four (4) year period:	
2	YEAR OF DEDUCTION	PERCENTAGE
3	1st	100%
4	2nd	75%
5	3rd	50%
6	4th	25%
7	5th and thereafter	0%
8	(5) For deductions allowed over a five (5) year period:	
9	YEAR OF DEDUCTION	PERCENTAGE
10	1st	100%
11	2nd	80%
12	3rd	60%
13	4th	40%
14	5th	20%
15	6th and thereafter	0%
16	(6) For deductions allowed over a six (6) year period:	
17	YEAR OF DEDUCTION	PERCENTAGE
18	1st	100%
19	2nd	85%
20	3rd	66%
21	4th	50%
22	5th	34%
23	6th	25%
24	7th and thereafter	0%
25	(7) For deductions allowed over a seven (7) year period:	
26	YEAR OF DEDUCTION	PERCENTAGE
27	1st	100%
28	2nd	85%
29	3rd	71%
30	4th	57%
31	5th	43%
32	6th	29%
33	7th	14%
34	8th and thereafter	0%
35	(8) For deductions allowed over an eight (8) year period:	
36	YEAR OF DEDUCTION	PERCENTAGE
37	1st	100%
38	2nd	88%

1	3rd	75%
2	4th	63%
3	5th	50%
4	6th	38%
5	7th	25%
6	8th	13%
7	9th and thereafter	0%

(9) For deductions allowed over a nine (9) year period:

9	YEAR OF DEDUCTION	PERCENTAGE
10	1st	100%
11	2nd	88%
12	3rd	77%
13	4th	66%
14	5th	55%
15	6th	44%
16	7th	33%
17	8th	22%
18	9th	11%
19	10th and thereafter	0%

(10) For deductions allowed over a ten (10) year period:

21	YEAR OF DEDUCTION	PERCENTAGE
22	1st	100%
23	2nd	90%
24	3rd	80%
25	4th	70%
26	5th	60%
27	6th	50%
28	7th	40%
29	8th	30%
30	9th	20%
31	10th	10%
32	11th and thereafter	0%

(f) With respect to new manufacturing equipment and new research and development equipment installed before March 2, 2001, the deduction under this section is the amount that causes the net assessed value of the property after the application of the deduction under this section to equal the net assessed value after the application of the deduction under this section that results from computing:

1 (1) the deduction under this section as in effect on March 1, 2001;  
2 and

3 (2) the assessed value of the property under 50 IAC 4.2, as in  
4 effect on March 1, 2001, or, in the case of property subject to  
5 IC 6-1.1-8, 50 IAC 5.1, as in effect on March 1, 2001.

6 (g) For an economic revitalization area designated before July 1,  
7 2000, the designating body shall determine whether a property owner  
8 whose statement of benefits is approved after April 30, 1991, is entitled  
9 to a deduction for five (5) or ten (10) years. For an economic  
10 revitalization area designated after June 30, 2000, the designating body  
11 shall determine the number of years the deduction is allowed. However,  
12 the deduction may not be allowed for more than ten (10) years. This  
13 determination shall be made:

14 (1) as part of the resolution adopted under section 2.5 of this  
15 chapter; or

16 (2) by resolution adopted within sixty (60) days after receiving a  
17 copy of a property owner's certified deduction application from  
18 the county auditor. A certified copy of the resolution shall be sent  
19 to the county auditor.

20 A determination about the number of years the deduction is allowed  
21 that is made under subdivision (1) is final and may not be changed by  
22 following the procedure under subdivision (2).

23 (h) The owner of new manufacturing equipment that is directly used  
24 to dispose of hazardous waste is not entitled to the deduction provided  
25 by this section for a particular assessment year if during that  
26 assessment year the owner:

27 (1) is convicted of a *criminal* violation under *IC 13, including*  
28 *IC 13-7-13-3 (repealed) or IC 13-7-13-4 (repealed); or*  
29 ~~*IC 13-30-6*~~; or

30 (2) is subject to an order or a consent decree with respect to  
31 property located in Indiana based on a violation of a federal or  
32 state rule, regulation, or statute governing the treatment, storage,  
33 or disposal of hazardous wastes that had a major or moderate  
34 potential for harm.

35 (i) **This subsection applies only to new manufacturing**  
36 **equipment, new research and development equipment, new**  
37 **logistical distribution equipment, or new information technology**  
38 **equipment whose statement of benefits was initially approved by**

**a designating body after December 31, 2005.** For purposes of subsection (d), the assessed value of new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

(1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by

(2) the quotient of:

(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by  
(B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:

(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9.

SECTION 2. IC 6-1.1-40-10, AS AMENDED BY P.L.219-2007, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]: Sec. 10. (a) Subject to subsection (e), an owner of new manufacturing equipment or inventory, or both, whose statement of benefits is approved is entitled to a deduction from the assessed value of that equipment and inventory for a period of ten (10) years. Except as provided in subsections (c) and (d), and subject to subsection (e) and section 14 of this chapter, for the first five (5) years, the amount of the deduction for new manufacturing equipment that an owner is entitled to for a particular year equals the assessed value of the new manufacturing equipment. Subject to subsection (e) and section 14 of this chapter, for the sixth through the tenth year, the amount of the deduction equals the product of:

(1) the assessed value of the new manufacturing equipment; multiplied by



(2) the percentage prescribed in the following table:

YEAR OF DEDUCTION	PERCENTAGE
6th	100%
7th	95%
8th	80%
9th	65%
10th	50%
11th and thereafter	0%

(b) Subject to section 14 of this chapter, for the first year the amount of the deduction for inventory equals the assessed value of the inventory. Subject to section 14 of this chapter, for the next nine (9) years, the amount of the deduction equals:

- (1) the assessed value of the inventory for that year; multiplied by
- (2) the owner's export sales ratio for the previous year, as certified by the department of state revenue under IC 6-3-2-13.

(c) A deduction under this section is not allowed in the first year the deduction is claimed for new manufacturing equipment to the extent that it would cause the assessed value of all of the personal property of the owner in the taxing district in which the equipment is located to be less than the assessed value of all of the personal property of the owner in that taxing district in the immediately preceding year.

(d) If a deduction is not fully allowed under subsection (c) in the first year the deduction is claimed, then the percentages specified in subsection (a) apply in the subsequent years to the amount of deduction that was allowed in the first year.

**(e) This subsection applies only to new manufacturing equipment, new research and development equipment, new logistical distribution equipment, or new information technology equipment whose statement of benefits was initially approved by a designating body after December 31, 2005.** For purposes of subsection (a), the assessed value of new manufacturing equipment that is part of an owner's assessable depreciable personal property in a single taxing district subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 is the product of:

- (1) the assessed value of the equipment determined without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9; multiplied by
- (2) the quotient of:

(A) the amount of the valuation limitation determined under 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 for all of the owner's depreciable personal property in the taxing district; divided by (B) the total true tax value of all of the owner's depreciable personal property in the taxing district that is subject to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9 determined:

(i) under the depreciation schedules in the rules of the department of local government finance before any adjustment for abnormal obsolescence; and

(ii) without regard to the valuation limitation in 50 IAC 4.2-4-9 or 50 IAC 5.1-6-9."

Page 1, line 16, after "leases" insert "**or rents**".

Page 1, line 17, after "lessee" insert "**or renter**".

Page 2, line 1, after "lease" insert "**or rental**".

Page 2, line 4, delete "lessor" and insert "**retail merchant**".

Page 2, line 4, after "lease" insert "**or rental**".

Page 2, line 5, after "lessee" insert "**or renter**".

Page 2, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 5. IC 6-2.5-5-41, AS AMENDED BY P.L.235-2007, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 41. (a) As used in this section, "qualified media production" has the meaning set forth in IC 6-3.1-32-5.

(b) Except as provided in ~~subsections~~ **subsection** (d), ~~and (e)~~, a transaction involving tangible personal property is exempt from the state gross retail tax if the person acquiring the property acquires it for the person's direct use in a qualified media production in Indiana after December 31, 2006.

(c) For purposes of this section, the following are not considered to be directly used in the production of a qualified media production:

(1) Food and beverage services.

(2) A vehicle or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.

(3) Fuel, parts, supplies, or other consumables used in a vehicle or other means of transportation used to transport actors, performers, crew members, or any other individual involved in a qualified media production.

- 1 (4) Lodging.
- 2 (5) Packaging materials.
- 3 (d) A person is not entitled to an exemption under this section with
- 4 respect to a transaction involving tangible personal property that is:
- 5 (1) a qualified production expenditure (as defined in
- 6 IC 6-3.1-32-6) for which a tax credit is claimed under
- 7 IC 6-3.1-32; or
- 8 (2) acquired for direct use in a qualified media production in
- 9 Indiana if the transaction occurs after December 31, ~~2008~~ **2011**".
- 10 Page 4, delete lines 9 through 42.
- 11 Delete page 5.
- 12 Page 6, delete lines 1 through 14.
- 13 Page 8, delete lines 24 through 42.
- 14 Page 9, delete lines 1 through 2.
- 15 Page 15, delete lines 34 through 42.
- 16 Page 16, delete lines 1 through 9, begin a new paragraph and insert:
- 17 "SECTION 11. IC 6-3-4-16 IS ADDED TO THE INDIANA CODE
- 18 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 19 1, 2008]: **Sec. 16. For individual income tax returns filed after**
- 20 **December 31, 2010, the department shall develop procedures to**
- 21 **implement a system of crosschecks between:**
- 22 (1) employer WH-3 forms (annual withholding tax reports)
- 23 with accompanying W-2 forms; and
- 24 (2) individual taxpayer W-2 forms.
- 25 SECTION 12. IC 6-3-4-17 IS ADDED TO THE INDIANA CODE
- 26 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 27 1, 2008]: **Sec. 17. Beginning after December 31, 2010, the**
- 28 **department and the office of management and budget shall:**
- 29 (1) develop a quarterly report that summarizes the amount
- 30 reported to and processed by the department under section
- 31 4.1(h) of this chapter, section 15.7(a)(3) of this chapter,
- 32 IC 6-3.5-1.1-18(c), IC 6-3.5-6-22(c), IC 6-3.5-7-18(c), and
- 33 IC 6-3.5-8-22(c) for each county; and
- 34 (2) make the quarterly report available to county auditors
- 35 within forty-five (45) days after the end of the calendar
- 36 quarter."
- 37 Page 16, between lines 28 and 29, begin a new paragraph and insert:
- 38 "SECTION 14. IC 6-3.1-32.3 IS ADDED TO THE INDIANA

CODE AS A NEW CHAPTER TO READ AS FOLLOWS  
[EFFECTIVE JANUARY 1, 2009]:

**Chapter 32.3. Indiana New Markets Development Program**

**Sec. 1.** As used in this chapter, "applicable percentage" means five percent (5%) for each credit allowance date.

**Sec. 2.** As used in this chapter, "corporation" refers to the Indiana economic development corporation.

**Sec. 3.** As used in this chapter, "credit allowance date", with respect to any qualified equity investment, means:

- (1) the date on which the investment is initially made; and
- (2) each of the subsequent six (6) anniversary dates of the date described in subdivision (1).

**Sec. 4.** As used in this chapter, "direct tracing" means the tracking, by accepted accounting methods, of the proceeds of qualified equity investments into qualified low income community investments.

**Sec. 5.** As used in this chapter, "long term debt security" means any debt instrument issued by a qualified community development entity, at par value or a premium, with an original maturity date of at least seven (7) years after the date of its issuance, with no acceleration of repayment, amortization, or prepayment features before its original maturity date, and with no distribution, payment, or interest features related to the profitability of the qualified community development entity or the performance of the qualified community development entity's investment portfolio. This section does not limit the holder's ability to accelerate payments on the debt instrument in situations in which the issuer has defaulted on covenants designed to ensure compliance with this chapter or Section 45D of the Internal Revenue Code.

**Sec. 6.** As used in this chapter, "purchase price" means the amount paid to the issuer of a qualified equity investment for the qualified equity investment.

**Sec. 7.** As used in this chapter, "qualified active low-income community business" has the meaning set forth in Section 45D of the Internal Revenue Code.

**Sec. 8.** As used in this chapter, "qualified community development entity" means a qualified community development entity (as defined in Section 45D of the Internal Revenue Code)

1 that has entered into an allocation agreement with the Community  
 2 Development Financial Institutions Fund of the United States  
 3 Treasury Department with respect to credits authorized by Section  
 4 45D of the Internal Revenue Code that includes Indiana within the  
 5 service area set forth in the allocation agreement.

6 Sec. 9. As used in this chapter, "qualified equity investment"  
 7 means any equity investment in, or long term debt security issued  
 8 by, a qualified community development entity that:

- 9 (1) is acquired after December 31, 2008, at its original  
 10 issuance solely in exchange for cash;
- 11 (2) has at least eighty-five percent (85%) of its cash purchase  
 12 price used by the issuer to make qualified low income  
 13 community investments; and
- 14 (3) is designated by the issuer as a qualified equity investment  
 15 under this chapter.

16 The term includes an investment that does not meet the provisions  
 17 of subdivision (1) if the investment was a qualified equity  
 18 investment in the hands of a prior holder.

19 Sec. 10. As used in this chapter, "qualified low income  
 20 community investment" means any capital or equity investment in,  
 21 or loan to, any qualified active low-income community business.  
 22 With respect to any one (1) qualified active low-income community  
 23 business, the maximum amount of qualified low income community  
 24 investments made in the business, on a collective basis with all of  
 25 its affiliates, may not exceed ten million dollars (\$10,000,000)  
 26 whether issued to one (1) or several qualified community  
 27 development entities.

28 Sec. 11. As used in this chapter, "pass through entity" means a:

- 29 (1) corporation that is exempt from the adjusted gross income  
 30 tax under IC 6-3-2-2.8(2);
- 31 (2) partnership;
- 32 (3) trust;
- 33 (4) limited liability company; or
- 34 (5) limited liability partnership;

35 that is not subject to state tax liability.

36 Sec. 12. As used in this chapter, "state credit" refers to a credit  
 37 granted under this chapter against state tax liability.

38 Sec. 13. As used in this chapter, "state tax liability" means a

1 taxpayer's total tax liability that is incurred under:

2 (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);

3 (2) IC 27-1-18-2 (the insurance premiums tax); and

4 (3) IC 6-5.5 (the financial institutions tax);

5 as computed after the application of the credits that under  
6 IC 6-3.1-1-2 are to be applied before the credit provided by this  
7 chapter.

8 Sec. 14. As used in this chapter, "taxpayer" means an  
9 individual, a corporation, a partnership, or another entity that has  
10 state tax liability.

11 Sec. 15. A taxpayer that makes a qualified equity investment  
12 earns a vested right to state tax credits as follows:

13 (1) On each credit allowance date of the qualified equity  
14 investment, the taxpayer, or subsequent holder of the  
15 qualified equity investment, is entitled to a state tax credit  
16 during the taxable year including the credit allowance date.

17 (2) The state tax credit amount is equal to the applicable  
18 percentage multiplied by the purchase price paid to the issuer  
19 of the qualified equity investment.

20 (3) The amount of the state tax credit claimed may not exceed  
21 the amount of the taxpayer's state tax liability for the tax year  
22 for which the tax credit is claimed.

23 Sec. 16. A tax credit claimed under this chapter is not  
24 refundable or saleable on the open market.

25 Sec. 17. (a) If:

26 (1) a pass through entity does not have state tax liability  
27 against which the state credit may be applied; and

28 (2) the pass through entity would be eligible for a state credit  
29 if the pass through entity were a taxpayer;

30 a shareholder, partner, or member of the pass through entity is  
31 entitled to a state credit under this chapter.

32 (b) Tax credits earned by a pass through entity may be allocated  
33 to the partners, members, or shareholders of the pass through  
34 entity for their direct use in accordance with the provisions of any  
35 agreement among the partners, members, or shareholders.

36 Sec. 18. (a) If the amount of a state credit for a taxpayer in a  
37 taxable year exceeds the taxpayer's state tax liability for that  
38 taxable year, the taxpayer may carry the excess over to not more

1       than five (5) subsequent taxable years. The amount of the state  
2       credit carryover from a taxable year shall be reduced to the extent  
3       that the carryover is used by the taxpayer to obtain a state credit  
4       under this chapter for any subsequent taxable year.

5       (b) A taxpayer is not entitled to a carryback or refund of an  
6       unused state credit.

7       Sec. 19. The issuer of a qualified equity investment shall certify  
8       to the corporation the anticipated dollar amount of the investments  
9       to be made in Indiana during the first twelve (12) month period  
10      following the initial credit allowance date. If on the second credit  
11      allowance date, the actual dollar amount of the investments is  
12      different than the amount estimated, the corporation shall adjust  
13      the credits arising on the second allowance date to account for the  
14      difference.

15      Sec. 20. If the proceeds of a qualified equity investment are  
16      invested completely in qualified low income community  
17      investments in Indiana, the purchase price, for the purpose of  
18      calculating the state credit created by this chapter, equals one  
19      hundred percent (100%) of the qualified equity investment,  
20      regardless of the location of investments made with the proceeds  
21      of other qualified equity investments issued by the same qualified  
22      community development entity.

23      Sec. 21. To the extent a part of a qualified equity investment is  
24      not invested in Indiana, the purchase price must be reduced by the  
25      same ratio, independently of the location of investments made with  
26      proceeds of other qualified equity investments issued by the same  
27      qualified community development entity. In this case, the burden  
28      is on the qualified community development entity to establish the  
29      extent to which the qualified equity investments are fully invested  
30      in Indiana, either by:

31           (1) establishing that the qualified community development  
32           entity itself invests exclusively in Indiana; or

33           (2) otherwise establishing, through direct tracing, the part of  
34           a qualified equity investment invested solely in Indiana.

35      Sec. 22. The corporation shall recapture the tax credit allowed  
36      under this chapter from a taxpayer that claimed the credit on a  
37      return, if:

38           (1) any amount of the federal tax credit available with respect

1 to a qualified equity investment that is eligible for a tax credit  
 2 under this section is recaptured under Section 45D of the  
 3 Internal Revenue Code; or

4 (2) subject to section 23 of this chapter, the issuer redeems or  
 5 makes a principal repayment with respect to a qualified  
 6 equity investment before the seventh anniversary of the  
 7 issuance of the qualified equity investment.

8 If subdivision (1) applies, the corporation's recapture is  
 9 proportionate to the federal recapture with respect to the qualified  
 10 equity investment. If subdivision (2) applies, the corporation's  
 11 recapture is proportionate to the amount of the redemption or  
 12 repayment with respect to the qualified equity investment.

13 Sec. 23. For purposes of section 22(2) of this chapter, an  
 14 investment shall be considered held by an issuer even if the  
 15 investment has been sold or repaid if the issuer reinvests an  
 16 amount equal to the capital returned to or recovered by the issuer  
 17 from the original investment, exclusive of any profits realized, in  
 18 another qualified low income community investment within twelve  
 19 (12) months after receipt of the capital. An issuer may not be  
 20 required to reinvest capital returned from qualified low income  
 21 community investments after the sixth anniversary of the issuance  
 22 of the qualified equity investment, the proceeds of which were used  
 23 to make the qualified low income community investment. The  
 24 qualified low income community investment shall be considered  
 25 held by the issuer through the seventh anniversary of the qualified  
 26 equity investment's issuance.

27 Sec. 24. The corporation shall give notice of an action taken  
 28 under this chapter in the manner determined by the corporation.

29 Sec. 25. To apply a state credit against the taxpayer's state tax  
 30 liability, a taxpayer must claim the state credit on the taxpayer's  
 31 annual state tax return or returns in the manner prescribed by the  
 32 department. A taxpayer claiming a state credit shall submit to the  
 33 department the information the department determines is  
 34 necessary for the department to determine whether the taxpayer  
 35 is eligible for the state credit.

36 SECTION 15. IC 6-3.5-1.1-9, AS AMENDED BY P.L.224-2007,  
 37 SECTION 61, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 38 JULY 1, 2008]: Sec. 9. (a) Revenue derived from the imposition of the



county adjusted gross income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it. The amount to be distributed to a county during an ensuing calendar year equals the amount of county adjusted gross income tax revenue that the department, after reviewing the recommendation of the budget agency, determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county adjusted gross income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), (g), and (h). ~~The department~~ **budget agency** shall provide **the county council** with ~~the certification~~ an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

**(1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;**

**(2) adjustments for over distributions in prior years;**

**(3) adjustments for clerical or mathematical errors in prior years;**

**(4) adjustments for tax rate changes; and**

**(5) the amount of excess account balances to be distributed under IC 6-3.5-1.1-21.1.**

The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 24, 25, or 26 of this chapter. This information must be certified to the county auditor and to the department of local government finance not

1 later than September 1 of each calendar year. The part of the certified  
 2 distribution that is attributable to a tax rate under section 24, 25, or 26  
 3 of this chapter may be used only as specified in those provisions.

4 (c) The department shall certify an amount less than the amount  
 5 determined under subsection (b) if the department, after reviewing the  
 6 recommendation of the budget agency, determines that the reduced  
 7 distribution is necessary to offset overpayments made in a calendar  
 8 year before the calendar year of the distribution. The department, after  
 9 reviewing the recommendation of the budget agency, may reduce the  
 10 amount of the certified distribution over several calendar years so that  
 11 any overpayments are offset over several years rather than in one (1)  
 12 lump sum.

13 (d) The department, after reviewing the recommendation of the  
 14 budget agency, shall adjust the certified distribution of a county to  
 15 correct for any clerical or mathematical errors made in any previous  
 16 certification under this section. The department, after reviewing the  
 17 recommendation of the budget agency, may reduce the amount of the  
 18 certified distribution over several calendar years so that any adjustment  
 19 under this subsection is offset over several years rather than in one (1)  
 20 lump sum.

21 (e) The department, after reviewing the recommendation of the  
 22 budget agency, shall adjust the certified distribution of a county to  
 23 provide the county with the distribution required under section 10(b)  
 24 of this chapter.

25 (f) This subsection applies to a county that:

- 26 (1) initially imposes the county adjusted gross income tax; or
- 27 (2) increases the county adjusted income tax rate;

28 under this chapter in the same calendar year in which the department  
 29 makes a certification under this section. The department, after  
 30 reviewing the recommendation of the budget agency, shall adjust the  
 31 certified distribution of a county to provide for a distribution in the  
 32 immediately following calendar year and in each calendar year  
 33 thereafter. The department shall provide for a full transition to  
 34 certification of distributions as provided in subsection (a)(1) through  
 35 (a)(2) in the manner provided in subsection (c).

36 (g) The department, after reviewing the recommendation of the  
 37 budget agency, shall adjust the certified distribution of a county to  
 38 provide the county with the distribution required under section 3.3 of

1 this chapter beginning not later than the tenth month after the month in  
 2 which additional revenue from the tax authorized under section 3.3 of  
 3 this chapter is initially collected.

4 (h) This subsection applies in the year in which a county initially  
 5 imposes a tax rate under section 24 of this chapter. Notwithstanding  
 6 any other provision, the department shall adjust the part of the county's  
 7 certified distribution that is attributable to the tax rate under section 24  
 8 of this chapter to provide for a distribution in the immediately  
 9 following calendar year equal to the result of:

10 (1) the sum of the amounts determined under STEP ONE through  
 11 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county  
 12 initially imposes a tax rate under section 24 of this chapter;  
 13 multiplied by

14 (2) two (2).".

15 Page 17, delete lines 9 through 42.

16 Delete page 18.

17 Page 19, delete lines 1 through 18, begin a new paragraph and  
 18 insert:

19 "SECTION 17. IC 6-3.5-1.1-27 IS ADDED TO THE INDIANA  
 20 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 21 [EFFECTIVE UPON PASSAGE]: **Sec. 27. (a) As used in this section,**  
 22 **"qualified residential property" has the meaning set forth in**  
 23 **IC 6-1.1-20.6-4.**

24 **(b) As used in this section, "school allocation area" means the**  
 25 **area located within the boundaries of the area within a county**  
 26 **served by a school corporation.**

27 **(c) As used in this section, "school allocation area account"**  
 28 **means an account established by a county treasurer for each school**  
 29 **allocation area located within the county.**

30 **(d) Notwithstanding any other law, revenues from a tax rate**  
 31 **imposed under sections 24, 25, or 26 of this chapter may be**  
 32 **distributed to each school allocation area account based on the**  
 33 **proportion of the total assessed value of all qualified residential**  
 34 **property located within the county in each school allocation area**  
 35 **as compared to the total assessed value of all qualified residential**  
 36 **property located in the county.**

37 **(e) Revenue in a school allocation area account may be used for**  
 38 **one (1) or more of the following purposes:**

(1) To replace all or part of the county's revenues reduced as a result of the application of the credits under IC 6-1.1-20.6 to property located within the school allocation area.

(2) If a county replaces all of the county's reduced revenues referred to in subdivision (1), the county may allocate additional revenue remaining in the school allocation area account as provided under subsection (g) to be held by the county auditor and applied as a uniform percentage to reduce property taxes levied by the county on qualified residential property within the school allocation area.

(3) To fund property tax relief, including replacement of revenues reduced as a result of the application of the credits under IC 6-1.1-20.6, in any:

(A) school corporation; or

(B) civil taxing unit, other than the county, within the school allocation area;

as determined by the county council.

The ordinance imposing a tax rate under this section must specify the purpose or purposes for which revenues from the tax rate will be used.

(f) If a county allocates revenue from a school allocation area account to replace the county's reduced revenues referred to in subsection (e)(1) attributable to a particular school allocation area, the county shall allocate revenues from all school allocation area accounts to replace the reduced revenues for all school allocation areas within the county. The amount of revenue that may be allocated by the county from each school allocation area account for purposes of this subsection is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the total amount of revenue that will be allocated for the purpose of replacing the county's reduced revenues referred to in subsection (e)(1).

STEP TWO: Determine the sum of all credits under IC 6-1.1-20.6 applied to property located within the school allocation area that are attributable to the county unit.

STEP THREE: Determine the sum of all credits under IC 6-1.1-20.6 applied to property located within the county that are attributable to the county unit.

1           **STEP FOUR: Divide the STEP TWO result by the STEP**  
 2           **THREE result.**

3           **STEP FIVE: Multiply the STEP FOUR quotient by the STEP**  
 4           **ONE result.**

5           **If the amount of revenue remaining in a school allocation area**  
 6           **account is insufficient to make the allocation required under this**  
 7           **subsection, the county shall reduce the total amount of revenue**  
 8           **that will be allocated for the purpose of replacing the county's**  
 9           **reduced revenues referred to in subsection (e)(1) and recalculate**  
 10           **the allocations that must be made from each school allocation area**  
 11           **account under this subsection.**

12           **(g) If a county chooses to allocate additional revenue from a**  
 13           **school allocation area account for the purpose of reducing**  
 14           **property taxes levied by the county as allowed under subsection**  
 15           **(e)(2), the county must allocate revenues from all school allocation**  
 16           **area accounts for that purpose. The amount of revenue allocated**  
 17           **from each account must be equal to the amount determined under**  
 18           **STEP FIVE of the following formula:**

19           **STEP ONE: Determine the total amount of revenue that will**  
 20           **be allocated for the purpose of reducing property taxes levied**  
 21           **by the county as allowed under subsection (e)(2).**

22           **STEP TWO: Determine the total assessed value of all**  
 23           **qualified residential property located within the school**  
 24           **allocation area.**

25           **STEP THREE: Determine the total assessed value of all**  
 26           **qualified residential property located within the county.**

27           **STEP FOUR: Divide the STEP TWO result by the STEP**  
 28           **THREE result.**

29           **STEP FIVE: Multiply the STEP FOUR quotient by the STEP**  
 30           **ONE result.**

31           **If the amount of revenue remaining in a school allocation area**  
 32           **account is insufficient to make the allocation required under this**  
 33           **subsection, the county shall reduce the total amount of revenue**  
 34           **that will be allocated for the purpose of reducing property taxes**  
 35           **levied by the county as allowed under subsection (e)(2) and**  
 36           **recalculate the allocations that must be made from each school**  
 37           **allocation area account under this subsection.**

38           **(h) If a county chooses to fund property tax relief in a civil**

1     **taxing unit under subsection (e)(3) and the civil taxing unit is**  
 2     **located in more than one (1) school allocation area, the county shall**  
 3     **fund the property tax relief from the school allocation area account**  
 4     **of each school allocation area containing part of the civil taxing**  
 5     **unit. The amount of revenue that shall be distributed from each**  
 6     **school allocation area account is equal to the amount determined**  
 7     **under STEP FOUR of the following formula:**

8             **STEP ONE: Determine the total assessed value of all qualified**  
 9             **residential property located within both:**

10            **(A) the civil taxing unit; and**

11            **(B) the school allocation area.**

12            **STEP TWO: Determine the total assessed value of all**  
 13            **qualified residential property located within the civil taxing**  
 14            **unit.**

15            **STEP THREE: Divide the STEP ONE result by the STEP**  
 16            **TWO result.**

17            **STEP FOUR: Multiply the STEP THREE quotient by the**  
 18            **total funding the county council is choosing to provide to the**  
 19            **civil taxing unit under subsection (e)(3).**

20     **If the amount of revenue remaining in a school allocation area**  
 21     **account is insufficient to provide the funding allowed under this**  
 22     **subsection, the county shall reduce the total amount of revenue**  
 23     **that will be used for the purpose of funding property tax relief as**  
 24     **allowed under subsection (e)(3) and recalculate the funding that**  
 25     **will be provided from each school allocation area account under**  
 26     **this subsection.**

27            SECTION 18. IC 6-3.5-6-17, AS AMENDED BY P.L.224-2007,  
 28            SECTION 78, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29            JULY 1, 2008]: Sec. 17. (a) Revenue derived from the imposition of  
 30            the county option income tax shall, in the manner prescribed by this  
 31            section, be distributed to the county that imposed it. The amount that  
 32            is to be distributed to a county during an ensuing calendar year equals  
 33            the amount of county option income tax revenue that the department,  
 34            after reviewing the recommendation of the budget agency, determines  
 35            has been:

36            (1) received from that county for a taxable year ending in a  
 37            calendar year preceding the calendar year in which the  
 38            determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made; as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county option income tax made in the state fiscal year.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the amount determined under subsection (a) plus the amount of interest in the county's account that has accrued and has not been included in a certification made in a preceding year. The amount certified is the county's "certified distribution" for the immediately succeeding calendar year. The amount certified shall be adjusted, as necessary, under subsections (c), (d), (e), and (f). The ~~department budget agency~~ shall provide ~~the county council~~ with ~~the certification~~ an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

- (1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;**
- (2) adjustments for over distributions in prior years;**
- (3) adjustments for clerical or mathematical errors in prior years;**
- (4) adjustments for tax rate changes; and**
- (5) the amount of excess account balances to be distributed under IC 6-3.5-6-17.3.**

The department shall also certify information concerning the part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter. This information must be certified to the county auditor and to the department of local government finance not later than September 1 of each calendar year. The part of the certified distribution that is attributable to a tax rate under section 30, 31, or 32 of this chapter may be used only as specified in those provisions.

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar year before the calendar year of the distribution. The department, after

1 reviewing the recommendation of the budget agency, may reduce the  
 2 amount of the certified distribution over several calendar years so that  
 3 any overpayments are offset over several years rather than in one (1)  
 4 lump sum.

5 (d) The department, after reviewing the recommendation of the  
 6 budget agency, shall adjust the certified distribution of a county to  
 7 correct for any clerical or mathematical errors made in any previous  
 8 certification under this section. The department, after reviewing the  
 9 recommendation of the budget agency, may reduce the amount of the  
 10 certified distribution over several calendar years so that any adjustment  
 11 under this subsection is offset over several years rather than in one (1)  
 12 lump sum.

13 (e) This subsection applies to a county that:

14 (1) initially imposed the county option income tax; or

15 (2) increases the county option income tax rate;

16 under this chapter in the same calendar year in which the department  
 17 makes a certification under this section. The department, after  
 18 reviewing the recommendation of the budget agency, shall adjust the  
 19 certified distribution of a county to provide for a distribution in the  
 20 immediately following calendar year and in each calendar year  
 21 thereafter. The department shall provide for a full transition to  
 22 certification of distributions as provided in subsection (a)(1) through  
 23 (a)(2) in the manner provided in subsection (c).

24 (f) This subsection applies in the year a county initially imposes a  
 25 tax rate under section 30 of this chapter. Notwithstanding any other  
 26 provision, the department shall adjust the part of the county's certified  
 27 distribution that is attributable to the tax rate under section 30 of this  
 28 chapter to provide for a distribution in the immediately following  
 29 calendar year equal to the result of:

30 (1) the sum of the amounts determined under STEP ONE through  
 31 STEP FOUR of IC 6-3.5-1.5-1(a) in the year in which the county  
 32 initially imposes a tax rate under section 30 of this chapter;  
 33 multiplied by

34 (2) the following:

35 (A) In a county containing a consolidated city, one and  
 36 five-tenths (1.5).

37 (B) In a county other than a county containing a consolidated  
 38 city, two (2).



(g) One-twelfth (1/12) of each adopting county's certified distribution for a calendar year shall be distributed from its account established under section 16 of this chapter to the appropriate county treasurer on the first day of each month of that calendar year.

(h) Upon receipt, each monthly payment of a county's certified distribution shall be allocated among, distributed to, and used by the civil taxing units of the county as provided in sections 18 and 19 of this chapter.

(i) All distributions from an account established under section 16 of this chapter shall be made by warrants issued by the auditor of state to the treasurer of state ordering the appropriate payments.

SECTION 19. IC 6-3.5-6-18, AS AMENDED BY P.L.224-2007, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 18. (a) The revenue a county auditor receives under this chapter shall be used to:

- (1) replace the amount, if any, of property tax revenue lost due to the allowance of an increased homestead credit within the county;
- (2) fund the operation of a public communications system and computer facilities district as provided in an election, if any, made by the county fiscal body under IC 36-8-15-19(b);
- (3) fund the operation of a public transportation corporation ~~as provided in an election, if any, made by the county fiscal body under IC 36-9-4-42;~~ **established under IC 36-9-4;**
- (4) make payments permitted under IC 36-7-15.1-17.5;
- (5) make payments permitted under subsection (i);
- (6) make distributions of distributive shares to the civil taxing units of a county; and
- (7) make the distributions permitted under sections 27, 28, 29, 30, 31, 32, and 33 of this chapter.

(b) The county auditor shall retain from the payments of the county's certified distribution, an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. This money shall be distributed to the civil taxing units and school corporations of the county as though they were property tax collections and in such a manner that no civil taxing unit or school corporation shall suffer a net revenue loss due to the allowance of an increased homestead credit.

(c) The county auditor shall retain:

- (1) the amount, if any, specified by the county fiscal body for a

1 particular calendar year under subsection (i), IC 36-7-15.1-17.5,  
2 IC 36-8-15-19(b), and IC 36-9-4-42 from the county's certified  
3 distribution for that same calendar year; and

4 (2) the amount of an additional tax rate imposed under section 27,  
5 28, 29, 30, 31, 32, or 33 of this chapter.

6 The county auditor shall distribute amounts retained under this  
7 subsection to the county.

8 (d) All certified distribution revenues that are not retained and  
9 distributed under subsections (b) and (c) shall be distributed to the civil  
10 taxing units of the county as distributive shares.

11 (e) The amount of distributive shares that each civil taxing unit in  
12 a county is entitled to receive during a month equals the product of the  
13 following:

14 (1) The amount of revenue that is to be distributed as distributive  
15 shares during that month; multiplied by

16 (2) A fraction. The numerator of the fraction equals the allocation  
17 amount for the civil taxing unit for the calendar year in which the  
18 month falls. The denominator of the fraction equals the sum of the  
19 allocation amounts of all the civil taxing units of the county for  
20 the calendar year in which the month falls.

21 (f) The department of local government finance shall provide each  
22 county auditor with the fractional amount of distributive shares that  
23 each civil taxing unit in the auditor's county is entitled to receive  
24 monthly under this section.

25 (g) Notwithstanding subsection (e), if a civil taxing unit of an  
26 adopting county does not impose a property tax levy that is first due  
27 and payable in a calendar year in which distributive shares are being  
28 distributed under this section, that civil taxing unit is entitled to receive  
29 a part of the revenue to be distributed as distributive shares under this  
30 section within the county. The fractional amount such a civil taxing  
31 unit is entitled to receive each month during that calendar year equals  
32 the product of the following:

33 (1) The amount to be distributed as distributive shares during that  
34 month; multiplied by

35 (2) A fraction. The numerator of the fraction equals the budget of  
36 that civil taxing unit for that calendar year. The denominator of  
37 the fraction equals the aggregate budgets of all civil taxing units  
38 of that county for that calendar year.

(h) If for a calendar year a civil taxing unit is allocated a part of a county's distributive shares by subsection (g), then the formula used in subsection (e) to determine all other civil taxing units' distributive shares shall be changed each month for that same year by reducing the amount to be distributed as distributive shares under subsection (e) by the amount of distributive shares allocated under subsection (g) for that same month. The department of local government finance shall make any adjustments required by this subsection and provide them to the appropriate county auditors.

(i) Notwithstanding any other law, a county fiscal body may pledge revenues received under this chapter (other than revenues attributable to a tax rate imposed under section 30, 31, or 32 of this chapter) to the payment of bonds or lease rentals to finance a qualified economic development tax project under IC 36-7-27 in that county or in any other county if the county fiscal body determines that the project will promote significant opportunities for the gainful employment or retention of employment of the county's residents."

Page 19, line 41, after "(2)" insert "**annually**".

Page 19, line 41, strike "other" and insert "**annual**".

Page 19, delete line 42.

Delete pages 20 through 21.

Page 22, delete lines 1 through 38, begin a new paragraph and insert:

"SECTION 21. IC 6-3.5-6-34 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 34. (a) As used in this section, "qualified residential property" has the meaning set forth in IC 6-1.1-20.6-4.**

**(b) As used in this section, "school allocation area" means the area located within the boundaries of the area within a county served by a school corporation.**

**(c) As used in this section, "school allocation area account" means an account established by a county treasurer for each school allocation area located within the county.**

**(d) Notwithstanding any other law, revenues from a tax rate imposed under sections 30, 31, or 32 of this chapter may be distributed to each school allocation area account based on the proportion of the total assessed value of all qualified residential**

property located within the county in each school allocation area as compared to the total assessed value of all qualified residential property located in the county.

(e) Revenue in a school allocation area account may be used for one (1) or more of the following purposes:

(1) To replace all or part of the county's revenues reduced as a result of the application of the credits under IC 6-1.1-20.6 to property located within the school allocation area.

(2) If a county replaces all of the county's reduced revenues referred to in subdivision (1), the county may allocate additional revenue remaining in the school allocation area account as provided under subsection (g) to be held by the county auditor and applied as a uniform percentage to reduce property taxes levied by the county on qualified residential property within the school allocation area.

(3) To fund property tax relief, including replacement of revenues reduced as a result of the application of the credits under IC 6-1.1-20.6, in any:

(A) school corporation; or

(B) civil taxing unit, other than the county, within the school allocation area;

as determined by the county council.

The ordinance imposing a tax rate under this section must specify the purpose or purposes for which revenues from the tax rate will be used. In the case of a county containing a consolidated city, the county council may replace reduced revenues of the consolidated city as allowed under subdivision (1), and may allocate additional revenue as allowed under subdivision (2) to reduce property taxes levied by the consolidated city. In the case of a county containing a consolidated city, the county council may not fund property tax relief of the county or consolidated city under subdivision (3).

(f) If a county allocates revenue from a school allocation area account to replace the county's reduced revenues referred to in subsection (e)(1) attributable to a particular school allocation area, the county shall allocate revenues from all school allocation area accounts to replace the reduced revenues for all school allocation areas within the county. The amount of revenue that may be allocated by the county from each school allocation area account

for purposes of this subsection is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the total amount of revenue that will be allocated for the purpose of replacing the county's reduced revenues referred to in subsection (e)(1).

STEP TWO: Determine the sum of all credits under IC 6-1.1-20.6 applied to property located within the school allocation area that are attributable to the county unit.

STEP THREE: Determine the sum of all credits under IC 6-1.1-20.6 applied to property located within the county that are attributable to the county unit.

STEP FOUR: Divide the STEP TWO result by the STEP THREE result.

STEP FIVE: Multiply the STEP FOUR quotient by the STEP ONE result.

If the amount of revenue remaining in a school allocation area account is insufficient to make the allocation required under this subsection, the county shall reduce the total amount of revenue that will be allocated for the purpose of replacing the county's reduced revenues referred to in subsection (e)(1) and recalculate the allocations that must be made from each school allocation area account under this subsection.

(g) If a county chooses to allocate additional revenue from a school allocation area account for the purpose of reducing property taxes levied by the county as allowed under subsection (e)(2) the county must allocate revenues from all school allocation area accounts for that purpose. The amount of revenue allocated from each account must be equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the total amount of revenue that will be allocated for the purpose of reducing property taxes levied by the county as allowed under subsection (e)(2).

STEP TWO: Determine the total assessed value of all qualified residential property located within the school allocation area.

STEP THREE: Determine the total assessed value of all qualified residential property located within the county.

STEP FOUR: Divide the STEP TWO result by the STEP

1           **THREE result.**

2           **STEP FIVE: Multiply the STEP FOUR quotient by the STEP**  
 3           **ONE result.**

4           **If the amount of revenue remaining in a school allocation area**  
 5           **account is insufficient to make the allocation required under this**  
 6           **subsection, the county shall reduce the total amount of revenue**  
 7           **that will be allocated for the purpose of reducing property taxes**  
 8           **levied by the county as allowed under subsection (e)(2) and**  
 9           **recalculate the allocations that must be made from each school**  
 10           **allocation area account under this subsection.**

11           **(h) If a county chooses to fund property tax relief in a civil**  
 12           **taxing unit under subsection (e)(3) and the civil taxing unit is**  
 13           **located in more than one (1) school allocation area, the county shall**  
 14           **fund the property tax relief from the school allocation area account**  
 15           **of each school allocation area containing part of the civil taxing**  
 16           **unit. The amount of revenue that shall be distributed from each**  
 17           **school allocation area account is equal to the amount determined**  
 18           **under STEP FOUR of the following formula:**

19           **STEP ONE: Determine the total assessed value of all qualified**  
 20           **residential property located within both:**

21           **(A) the civil taxing unit; and**

22           **(B) the school allocation area.**

23           **STEP TWO: Determine the total assessed value of all**  
 24           **qualified residential property located within the civil taxing**  
 25           **unit.**

26           **STEP THREE: Divide the STEP ONE result by the STEP**  
 27           **TWO result.**

28           **STEP FOUR: Multiply the STEP THREE quotient by the**  
 29           **total funding the county council is choosing to provide to the**  
 30           **civil taxing unit under subsection (e)(3).**

31           **If the amount of revenue remaining in a school allocation area**  
 32           **account is insufficient to provide the funding allowed under this**  
 33           **subsection, the county shall reduce the total amount of revenue**  
 34           **that will be used for the purpose of funding property tax relief as**  
 35           **allowed under subsection (e)(3) and recalculate the funding that**  
 36           **will provided from each school allocation area account under this**  
 37           **subsection.**

38           **SECTION 22. IC 6-3.5-7-11, AS AMENDED BY P.L.207-2005,**

SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 11. (a) Revenue derived from the imposition of the county economic development income tax shall, in the manner prescribed by this section, be distributed to the county that imposed it.

(b) Before August 2 of each calendar year, the department, after reviewing the recommendation of the budget agency, shall certify to the county auditor of each adopting county the sum of the amount of county economic development income tax revenue that the department determines has been:

(1) received from that county for a taxable year ending before the calendar year in which the determination is made; and

(2) reported on an annual return or amended return processed by the department in the state fiscal year ending before July 1 of the calendar year in which the determination is made;

as adjusted (as determined after review of the recommendation of the budget agency) for refunds of county economic development income tax made in the state fiscal year plus the amount of interest in the county's account that has been accrued and has not been included in a certification made in a preceding year. The amount certified is the county's certified distribution, which shall be distributed on the dates specified in section 16 of this chapter for the following calendar year. The amount certified shall be adjusted under subsections (c), (d), (e), (f), and (g). ~~The department budget agency shall provide the county council with the certification~~ an informative summary of the calculations used to determine the certified distribution. **The summary of calculations must include:**

**(1) the amount reported on individual income tax returns processed by the department during the previous fiscal year;**

**(2) adjustments for over distributions in prior years;**

**(3) adjustments for clerical or mathematical errors in prior years;**

**(4) adjustments for tax rate changes; and**

**(5) the amount of excess account balances to be distributed under IC 6-3.5-7-17.3.**

(c) The department shall certify an amount less than the amount determined under subsection (b) if the department, after reviewing the recommendation of the budget agency, determines that the reduced distribution is necessary to offset overpayments made in a calendar

year before the calendar year of the distribution. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any overpayments are offset over several years rather than in one (1) lump sum.

(d) After reviewing the recommendation of the budget agency, the department shall adjust the certified distribution of a county to correct for any clerical or mathematical errors made in any previous certification under this section. The department, after reviewing the recommendation of the budget agency, may reduce the amount of the certified distribution over several calendar years so that any adjustment under this subsection is offset over several years rather than in one (1) lump sum.

(e) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the distribution required under section 16(b) of this chapter.

(f) The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide the county with the amount of any tax increase imposed under section 25 or 26 of this chapter to provide additional homestead credits as provided in those provisions.

(g) This subsection applies to a county that:

(1) initially imposed the county economic development income tax; or

(2) increases the county economic development income rate; under this chapter in the same calendar year in which the department makes a certification under this section. The department, after reviewing the recommendation of the budget agency, shall adjust the certified distribution of a county to provide for a distribution in the immediately following calendar year and in each calendar year thereafter. The department shall provide for a full transition to certification of distributions as provided in subsection (b)(1) through (b)(2) in the manner provided in subsection (c)."

Page 23, line 38, strike "annually".

Page 23, line 41, after "(2)" insert "**annually**".

Page 23, line 41, after "employer's" insert "**annual**".

Page 26, line 41, delete ";" and insert ", **including information such**



as brands, supplies, distributors, or package types that is information necessary for industry statistical analysis;".

Page 27, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 29. IC 8-23-28 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

**Chapter 28. Funding to Establish a Regional Transportation Authority**

**Sec. 1. The regional transportation authority formation fund is established.**

**Sec. 2. The department shall administer the fund.**

**Sec. 3. Expenditures from the fund may be made only in accordance with this chapter.**

**Sec. 4. The department may use the money in the fund to provide matching grants to cities or counties that wish to establish a regional transportation authority under IC 36-9-3. The expenses in administering the fund and the grants shall be paid from the money in the fund.**

**Sec. 5. The amount of a grant provided under this chapter may not exceed twenty percent (20%) of the costs incurred by a city or county in establishing a regional transportation authority under IC 36-9-3.**

**Sec. 6. Each grant provided under this chapter must be matched by funds provided by the city or county applying for the grant under this chapter. The matching funds required by a city or county may be provided by any source except other state funds.**

**Sec. 7. A city or county must apply for a grant under this chapter in the manner prescribed by the department.**

**Sec. 8. (a) Money in the fund at the end of a state fiscal year does not revert to the state general fund.**

**(b) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested. Interest that accrues from these investments shall be deposited in the fund to be used for any purpose for which funds may be used under this chapter.**

**Sec. 9. The fund consists of the following:**

**(1) Funds deposited by regional transit authorities under**

1           **IC 36-9-42.**

2           **(2) Money received from any other source, including**  
 3           **appropriations.**

4           **Sec. 10. The department shall notify all regional transit**  
 5           **authorities (as defined in IC 36-9-42) when the total of all deposits**  
 6           **by the regional transit authorities under IC 36-9-42 has reached**  
 7           **one million dollars (\$1,000,000).**

8           SECTION 30. IC 9-17-2-3 IS AMENDED TO READ AS  
 9           FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) The form  
 10          described under section 2 of this chapter must include the following  
 11          printed statement:

12               "I swear or affirm that the information I have entered on this form  
 13               is correct. I understand that making a false statement on this form  
 14               may constitute the crime of perjury."

15          (b) The person applying for the certificate of title must sign the form  
 16          directly below the printed statement.

17          **(c) The form described under section 2 of this chapter must**  
 18          **include the statement required by IC 9-17-3-3.2.**

19          SECTION 31. IC 9-17-3-3 IS AMENDED TO READ AS  
 20          FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. (a) If a vehicle for  
 21          which a certificate of title has been issued is sold or if the ownership of  
 22          the vehicle is otherwise transferred, the person who holds the  
 23          certificate of title must do the following:

24               (1) Endorse on the certificate of title an assignment of the  
 25               certificate of title with warranty of title, in a form printed on the  
 26               certificate of title, with a statement describing all liens or  
 27               encumbrances on the vehicle.

28               (2) Except as provided in subdivisions ~~(3)~~ and (4) **and (5)**, deliver  
 29               the certificate of title to the purchaser or transferee at the time of  
 30               the sale or delivery to the purchaser or transferee of the vehicle,  
 31               if the purchaser or transferee has made all agreed upon initial  
 32               payments for the vehicle, including delivery of a trade-in vehicle  
 33               without hidden or undisclosed statutory liens.

34               **(3) Unless the vehicle is being sold or transferred to a dealer**  
 35               **licensed under IC 9-23-2, complete all information concerning**  
 36               **the purchase on the certificate of title, including, but not**  
 37               **limited to:**

38                   **(A) the name and address of the purchaser; and**

1                   **(B) the sale price of the vehicle.**

2                   ~~(3)~~ **(4)** In the case of a sale or transfer between vehicle dealers  
3                   licensed by this state or another state, deliver the certificate of  
4                   title within twenty-one (21) days after the date of the sale or  
5                   transfer.

6                   ~~(4)~~ **(5)** Deliver the certificate of title to the purchaser or transferee  
7                   within twenty-one (21) days after the date of sale or transfer to the  
8                   purchaser or transferee of the vehicle, if all of the following  
9                   conditions exist:

10                  (A) The seller or transferor is a vehicle dealer licensed by the  
11                  state under IC 9-23.

12                  (B) The vehicle dealer is not able to deliver the certificate of  
13                  title at the time of sale or transfer.

14                  (C) The vehicle dealer reasonably believes that it will be able  
15                  to deliver the certificate of title, without a lien or an  
16                  encumbrance on the certificate of title, within the twenty-one  
17                  (21) day period.

18                  (D) The vehicle dealer provides the purchaser or transferee  
19                  with an affidavit under section 3.1 of this chapter.

20                  (E) The purchaser or transferee has made all agreed upon  
21                  initial payments for the vehicle, including delivery of a  
22                  trade-in vehicle without hidden or undisclosed statutory liens.

23                  (b) A licensed dealer may offer for sale a vehicle for which the  
24                  dealer does not possess a certificate of title, if the dealer can comply  
25                  with subsection ~~(a)(3)~~ **(a)(4)** or ~~(a)(4)~~ **(a)(5)** at the time of the sale.

26                  (c) A vehicle dealer who fails to deliver a certificate of title within  
27                  the time specified under this section is subject to the following civil  
28                  penalties:

29                   (1) One hundred dollars (\$100) for the first violation.

30                   (2) Two hundred fifty dollars (\$250) for the second violation.

31                   (3) Five hundred dollars (\$500) for all subsequent violations.

32                  Payment shall be made to the bureau and deposited in the state general  
33                  fund. In addition, if a purchaser or transferee does not receive a valid  
34                  certificate of title within the time specified by this section, the  
35                  purchaser or transferee shall have the right to return the vehicle to the  
36                  vehicle dealer ten (10) days after giving the vehicle dealer written  
37                  notice demanding delivery of a valid certificate of title and the dealer's  
38                  failure to deliver a valid certificate of title within that ten (10) day

1 period. Upon return of the vehicle to the dealer in the same or similar  
 2 condition as delivered to the purchaser or transferee under this section,  
 3 the vehicle dealer shall pay to the purchaser or transferee the purchase  
 4 price plus sales taxes, finance expenses, insurance expenses, and any  
 5 other amount paid to the dealer by the purchaser.

6 (d) For purposes of this subsection, "timely deliver", with respect to  
 7 a third party, means to deliver to the purchaser or transferee with a  
 8 postmark dated or hand delivered not more than ten (10) business days  
 9 after there is no obligation secured by the vehicle. If the dealer's  
 10 inability to timely deliver a valid certificate of title results from the acts  
 11 or omissions of a third party who has failed to timely deliver a valid  
 12 certificate of title to the dealer, the dealer is entitled to claim against  
 13 the third party one hundred dollars (\$100). If:

14 (1) the dealer's inability to timely deliver a valid certificate of title  
 15 results from the acts or omissions of a third party who has failed  
 16 to timely deliver the certificate of title in the third party's  
 17 possession to the dealer; and

18 (2) the failure continues for ten (10) business days after the dealer  
 19 gives the third party written notice of the failure;

20 the dealer is entitled to claim against the third party all damages  
 21 sustained by the dealer in rescinding the dealer's sale with the  
 22 purchaser or transferee, including the dealer's reasonable attorney's  
 23 fees.

24 (e) If a vehicle for which a certificate of title has been issued by  
 25 another state is sold or delivered, the person selling or delivering the  
 26 vehicle must deliver to the purchaser or receiver of the vehicle a proper  
 27 certificate of title with an assignment of the certificate of title in a form  
 28 prescribed by the bureau.

29 (f) The original certificate of title and all assignments and  
 30 subsequent reissues of the certificate of title shall be retained by the  
 31 bureau and appropriately classified and indexed in the most convenient  
 32 manner to trace title to the vehicle described in the certificate of title.

33 (g) A dealer shall make payment to a third party to satisfy any  
 34 obligation secured by the vehicle within five (5) days after the date of  
 35 sale.

36 SECTION 32. IC 9-17-3-3.1 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3.1. The affidavit  
 38 required by ~~IC 9-17-3-3(a)(4)~~ **IC 9-17-3-3(a)(5)** shall be printed in the

1 following form:

2 STATE OF

3 INDIANA )

4 ) ss:

5 COUNTY OF \_\_\_\_\_ )

6 I affirm under the penalties for perjury that all of the following are  
7 true:

8 (1) That I am a dealer licensed under IC 9-23-1.

9 (2) That I cannot deliver a valid certificate of title to the retail  
10 purchaser of the vehicle described in paragraph (3) at the time of  
11 sale of the vehicle to the retail purchaser. The identity of the  
12 previous seller or transferor is \_\_\_\_\_.

13 Payoff of lien was made on (date)\_\_\_\_\_. I expect to deliver a  
14 valid and transferable certificate of title not later than  
15 (date)\_\_\_\_\_ from the (State of)\_\_\_\_\_ to the  
16 purchaser.

17 (3) That I will undertake reasonable commercial efforts to  
18 produce the valid certificate of title. The vehicle identification  
19 number is \_\_\_\_\_.

20 Signed \_\_\_\_\_, Dealer

21 By \_\_\_\_\_

22 Dated \_\_\_\_\_, \_\_\_\_\_

23 CUSTOMER ACKNOWLEDGES RECEIPT OF A COPY OF THIS  
24 AFFIDAVIT.

25 \_\_\_\_\_

26 Customer Signature

27

## 28 NOTICE TO THE CUSTOMER

29 If you do not receive a valid certificate of title within the time  
30 specified by this affidavit, you have the right to return the vehicle to the  
31 vehicle dealer ten (10) days after giving the vehicle dealer written  
32 notice demanding delivery of a valid certificate of title and after the  
33 vehicle dealer's failure to deliver a valid certificate of title within that  
34 ten (10) day period. Upon return of the vehicle to the vehicle dealer in  
35 the same or similar condition as when it was delivered to you, the  
36 vehicle dealer shall pay you the purchase price plus sales taxes, finance  
37 expenses, insurance expenses, and any other amount that you paid to  
38 the vehicle dealer.

1 If a lien is present on the previous owner's certificate of title, it is the  
 2 responsibility of the third party lienholder to timely deliver the  
 3 certificate of title in the third party's possession to the dealer not more  
 4 than ten (10) business days after there is no obligation secured by the  
 5 vehicle. If the dealer's inability to deliver a valid certificate of title to  
 6 you within the above-described ten (10) day period results from the  
 7 acts or omissions of a third party who has failed to timely deliver the  
 8 certificate of title in the third party's possession to the dealer, the dealer  
 9 may be entitled to claim against the third party the damages allowed by  
 10 law.

11 SECTION 33. IC 9-17-3-3.2 IS ADDED TO THE INDIANA CODE  
 12 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
 13 1, 2008]: **Sec. 3.2. The form furnished by the bureau under**  
 14 **IC 9-17-2-2 must contain the following language immediately**  
 15 **below the signature of the seller:**

16 **"If this vehicle is sold or transferred to a person other than a**  
 17 **dealer licensed in Indiana, the seller or transferor is required**  
 18 **to fill in all blanks relating to buyer information, including the**  
 19 **sale price. The knowing or intentional failure of the seller or**  
 20 **transferor to fill in all buyer information is a Class A**  
 21 **misdemeanor or a Class D felony for the second or subsequent**  
 22 **offense under IC 9-17-3-7(c)(2).".**

23 SECTION 34. IC 9-17-3-7 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 7. (a) This section does  
 25 not apply to section 5 of this chapter.

26 (b) Except as provided in subsection (c), a person who violates this  
 27 chapter commits a Class C infraction.

28 (c) A person who **knowingly or intentionally** violates: ~~section 3~~  
 29 **(1) section 3(a)(1), 3(a)(2), 3(a)(4), or 3(a)(5)** of this chapter  
 30 **commits a Class B misdemeanor; or**  
 31 **(2) section 3(a)(3) of this chapter commits a:**

32 **(A) Class A misdemeanor for the first violation; and**

33 **(B) Class D felony for the second and any subsequent**  
 34 **violation.**

35 SECTION 35. IC 36-7-26-1 IS AMENDED TO READ AS  
 36 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. This chapter applies  
 37 to the following:

38 (1) A city having a population of more than seventy-five thousand

- 1 (75,000) but less than ninety thousand (90,000).  
 2 (2) A city having a population of more than one hundred five  
 3 thousand (105,000) but less than one hundred twenty thousand  
 4 (120,000).  
 5 (3) A city having a population of more than one hundred fifty  
 6 thousand (150,000) but less than five hundred thousand  
 7 (500,000).  
 8 (4) A city having a population of more than one hundred twenty  
 9 thousand (120,000) but less than one hundred fifty thousand  
 10 (150,000).  
 11 **(5) A county having a population of more than fifty thousand**  
 12 **(50,000) but less than fifty-five thousand (55,000).**  
 13 SECTION 36. IC 36-7-26-2 IS AMENDED TO READ AS  
 14 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 2. (a) Present economic  
 15 conditions in certain areas of certain cities are stagnant or deteriorating.  
 16 (b) Present economic conditions in such areas are beyond remedy  
 17 and control by existing regulatory processes because of the substantial  
 18 public financial commitments necessary to encourage significant  
 19 increases in economic activities in such areas.  
 20 **(c) Economic development of certain reclaimed coal land near**  
 21 **the Blue Grass Fish and Wildlife Area and Interstate Highway 164**  
 22 **is vital for a county described in section 1(5) of this chapter.**  
 23 ~~(c)~~ (d) Encouraging economic development in these areas will:  
 24 (1) attract new businesses and encourage existing business to  
 25 remain or expand;  
 26 (2) increase temporary and permanent employment opportunities  
 27 and private sector investment;  
 28 (3) protect and increase state and local tax bases; and  
 29 (4) encourage overall economic growth in Indiana.  
 30 ~~(d)~~ (e) Redevelopment and stimulation of economic development  
 31 benefit the health and welfare of the people of Indiana, are public uses  
 32 and purposes for which the public money may be spent, and are of  
 33 public utility and benefit.  
 34 ~~(e)~~ (f) Economic development in such areas can be accomplished  
 35 only by a coordinated effort of local and state governments.  
 36 ~~(f)~~ (g) This chapter shall be liberally construed to carry out the  
 37 purposes of this chapter and to provide **the county and** cities with  
 38 maximum flexibility to accomplish those purposes.

SECTION 37. IC 36-7-26-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 3. As used in this chapter, "adjustment factor" means the amount, stated as a percentage, that the:

(1) board, for a city described in section 1(1), 1(2), 1(3), or 1(4) of this chapter; or

(2) corporation, for a county described in section 1(5) of this chapter;

determines under section 22 of this chapter should be applied in determining the district's net increment. However, the adjustment factor may not exceed eighty percent (80%).

SECTION 38. IC 36-7-26-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 6.5. As used in this chapter, "corporation" refers to the Indiana economic development corporation.

SECTION 39. IC 36-7-26-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8. (a) Except as provided by subsection (b), as used in this chapter, "district" refers to an economic development project district established under this chapter.

(b) For a county described in section 1(5) of this chapter, "district" refers to an economic development project district established under this chapter that is located completely or in part on reclaimed coal land near the Blue Grass Fish and Wildlife Area and Interstate Highway 164. However, the economic development project district may not be within a distance of one hundred (100) yards of the Blue Grass Fish and Wildlife Area.

SECTION 40. IC 36-7-26-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 13. In addition to the powers and duties set forth in any other statute, a commission, the department, the corporation, and the board have the powers and duties set forth in this chapter.

SECTION 41. IC 36-7-26-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 16. (a) Except as provided in subsection (b), upon adoption of a resolution designating a district under section 15 of this chapter, the commission shall submit the resolution to the board for approval. In submitting the resolution to



the board, the commission shall deliver to the board:

- (1) the data required under section 14 of this chapter;
- (2) the information concerning the proposed redevelopment and economic development of the proposed district; and
- (3) the proposed utilization of the revenues to be received under section 23 of this chapter.

This information may be modified from time to time after the initial submission. The commission shall provide to the board any additional information that the board may request from time to time.

**(b) This subsection applies to a county described in section 1(5) of this chapter. Upon adoption of a resolution designating a district under section 15 of this chapter, the commission shall submit the resolution to the fiscal body and the county commissioners of the county for ratification and then shall submit the resolution to the corporation for approval. In submitting the resolution to the corporation, the commission shall deliver to the corporation:**

- (1) the data required under section 14 of this chapter;**
- (2) the information concerning the proposed redevelopment and economic development of the proposed district; and**
- (3) the proposed use of the revenues to be received under section 23 of this chapter.**

**This information may be modified periodically after the initial submission. The commission shall provide to the corporation any additional information that the corporation requests.**

~~(b)~~ **(c)** Upon adoption of a resolution designating a district under section 15 of this chapter, and upon approval of the resolution by the board under subsection (a) **or the corporation under subsection (b)**, the commission shall publish (in accordance with IC 5-3-1) notice of the adoption and ~~purpose~~ **purpose** of the resolution and of the hearing to be held. The notice must provide a general description of the boundaries of the district and state that information concerning the district can be inspected at the commission's office. The notice must also contain a date when the commission will hold a hearing to receive and hear remonstrances and other testimony from persons interested in or affected by the establishment of the district. All affected persons, including all persons or entities owning property or doing business in the district, shall be considered notified of the pendency of the hearing and of subsequent acts, hearings, adjournments, and resolutions of the

1 commission by the notice given under this section.

2 SECTION 42. IC 36-7-26-20 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 20. **(a) Except as**  
4 **provided in subsection (b),** the determination of the commission to  
5 create a district under this chapter, after approval by the board, must be  
6 approved by ordinance of the legislative body of the city.

7 **(b) For a county described in section 1(5) of this chapter, the**  
8 **determination of the commission to create a district under this**  
9 **chapter, after approval by the corporation, must be approved by**  
10 **ordinance of the fiscal body of the county.**

11 SECTION 43. IC 36-7-26-21 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 21. **(a) Except as**  
13 **provided in subsection (b),** after the approval of the creation of the  
14 district under section 20 of this chapter, the commission shall transmit  
15 to the board for delivery to the department the following:

16 (1) A certified copy of the resolution designating the district, as  
17 confirmed by the commission.

18 (2) A complete list of street names and the range of street  
19 numbers of each street situated within the district.

20 **(b) This subsection applies to a county described in section 1(5)**  
21 **of this chapter. After the approval of the creation of the district**  
22 **under section 20 of this chapter, the commission shall transmit to**  
23 **the corporation for delivery to the department the following:**

24 (1) A certified copy of the resolution designating the district,  
25 as confirmed by the commission.

26 (2) A complete list of street names and the range of street  
27 numbers of each street located within the district.

28 SECTION 44. IC 36-7-26-22 IS AMENDED TO READ AS  
29 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. **(a) Except as**  
30 **provided in subsection (b),** within sixty (60) days after receipt from  
31 the commission of the information transmitted under section 21 of this  
32 chapter the board shall do the following:

33 (1) Request that the department determine the base period  
34 amount. The department shall certify the base period amount to  
35 the board, and the board shall transmit the certification to the  
36 commission.

37 (2) Determine the adjustment factor. The adjustment factor must  
38 account for the portion of the incremental state gross retail and

use tax revenues attributable to investment in the district and resulting from the redevelopment and economic development project. The adjustment factor may not be decreased after the factor is determined by the board.

**(b) This subsection applies to a county described in section 1(5) of this chapter. Within sixty (60) days after receipt from the commission of the information transmitted under section 21 of this chapter, the corporation shall do the following:**

**(1) Request that the department determine the base period amount. The department shall certify the base period amount to the corporation, and the corporation shall transmit the certification to the commission.**

**(2) Determine the adjustment factor. The adjustment factor must account for the part of the incremental state gross retail and use tax revenues attributable to investment in the district and resulting from the redevelopment and economic development project. The adjustment factor may not be decreased after the factor is determined by the corporation.**

~~(b)~~ **(c)** If a business that operates or did operate in the district also has or had one (1) or more other places of business operating in Indiana but outside the district, the business shall, in the manner and for the periods of time requested by the department, certify to the department the amount of taxes remitted by the business under IC 6-2.5 for the business's places of operation that are or were in the district.

SECTION 45. IC 36-7-26-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 23. (a) Before the first business day in October of each year, the board, **or the corporation for a county described in section 1(5) of this chapter**, shall require the department to calculate the net increment for the preceding state fiscal year. The department shall transmit to the board, **or the corporation for a county described in section 1(5) of this chapter**, a statement as to the net increment in sufficient time to permit the board **or the corporation** to review the calculation and permit the transfers required by this section to be made on a timely basis.

(b) There is established a sales tax increment financing fund to be administered by the treasurer of state. The fund is comprised of two (2) accounts called the net increment account and the credit account.

(c) On the first business day in October of each year, that portion of

1 the net increment calculated under subsection (a) that is needed:  
2 (1) to pay debt service on the bonds issued under section 24 of  
3 this chapter or to pay lease rentals under section 24 of this  
4 chapter; and  
5 (2) to establish and maintain a debt service reserve established by  
6 the commission or by a lessor that provides local public  
7 improvements to the commission;  
8 shall be transferred to and deposited in the fund and credited to the net  
9 increment account. Money credited to the net increment account is  
10 pledged to the purposes described in subdivisions (1) and (2), subject  
11 to the other provisions of this chapter.

12 (d) On the first business day of October in each year, the remainder  
13 of:  
14 (1) eighty percent (80%) of the gross increment; minus  
15 (2) the amount credited to the net increment account on the same  
16 date;  
17 shall be transferred and credited to the credit account.

18 (e) The remainder of:  
19 (1) the gross increment; minus  
20 (2) the amounts credited to the net increment account and the  
21 credit account;  
22 shall be deposited by the auditor of state as other gross retail and use  
23 taxes are deposited.

24 (f) A city described in section 1(2), 1(3), or 1(4) of this chapter may  
25 receive not more than fifty percent (50%) of the net increment each  
26 year. During the time a district exists in a city described in section 1(3)  
27 or 1(4) of this chapter, not more than a total of one million dollars  
28 (\$1,000,000) of net increment may be paid to the city described in  
29 section 1(3) or 1(4) of this chapter. During each year that a district  
30 exists in a city described in section 1(2) of this chapter, not more than  
31 one million dollars (\$1,000,000) of net increment may be paid to the  
32 city described in section 1(2) of this chapter.

33 (g) The auditor of state shall disburse all money in the fund that is  
34 credited to the net increment account to the commission in equal  
35 semiannual installments on November 30 and May 31 of each year.

36 SECTION 46. IC 36-7-26-24 IS AMENDED TO READ AS  
37 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 24. (a) The commission  
38 may issue bonds, payable in whole or in part, from money distributed

from the fund to the commission, to finance a local public improvement under IC 36-7-14-25.1 or may make lease rental payments for a local public improvement under IC 36-7-14-25.2 and IC 36-7-14-25.3. The term of any bonds issued under this section may not exceed ~~twenty (20)~~ **twenty-five (25)** years, nor may the term of any lease agreement entered into under this section exceed ~~twenty (20)~~ **twenty-five (25)** years. The commission shall transmit to the board, **or the corporation for a county described in section 1(5) of this chapter**, a transcript of the proceedings with respect to the issuance of the bonds or the execution and delivery of a lease agreement as contemplated by this section. The transcript must include a debt service or lease rental schedule setting forth all payments required in connection with the bonds or the lease rentals.

(b) On January 15 of each year, the commission shall remit to the treasurer of state the money disbursed from the fund that is credited to the net increment account that exceeds the amount needed to pay debt service or lease rentals and to establish and maintain a debt service reserve under this chapter in the prior year and before May 31 of that year. Amounts remitted under this subsection shall be deposited by the auditor of state as other gross retail and use taxes are deposited.

(c) The commission in a city described in section 1(2) of this chapter may distribute money from the fund only for the following:

- (1) Road, interchange, and right-of-way improvements.
- (2) Acquisition costs of a commercial retail facility and for real property acquisition costs in furtherance of the road, interchange, and right-of-way improvements.
- (3) Demolition of commercial property and any related expenses incurred before or after the demolition of the commercial property.
- (4) For physical improvements or alterations of property that enhance the commercial viability of the district.

(d) The commission in a city described in section 1(3) of this chapter may distribute money from the fund only for the following purposes:

- (1) For road, interchange, and right-of-way improvements and for real property acquisition costs in furtherance of the road, interchange, and right-of-way improvements.
- (2) For the demolition of commercial property and any related

1 expenses incurred before or after the demolition of the  
2 commercial property.

3 (e) The commission in a city described in section 1(4) of this  
4 chapter may distribute money from the fund only for the following  
5 purposes:

6 (1) For:

7 (A) the acquisition, demolition, and renovation of property;  
8 and

9 (B) site preparation and financing;  
10 related to the development of housing in the district.

11 (2) For physical improvements or alterations of property that  
12 enhance the commercial viability of the district.

13 **(f) The commission in a county described in section 1(5) of this**  
14 **chapter may distribute money from the fund for the following**  
15 **district project costs associated with the development or**  
16 **redevelopment of the district:**

17 **(1) The total cost of acquisition of all land, rights-of-way, and**  
18 **other property to be acquired, developed, or redeveloped for**  
19 **the project.**

20 **(2) Site preparation, including utilities and infrastructure.**

21 **(3) Costs associated with the construction or establishment of**  
22 **a multisport athletic complex that is owned or leased by an**  
23 **entity that is exempt from income taxation under Section**  
24 **501(c)(3) of the Internal Revenue Code.**

25 **(4) Costs associated with the construction or establishment of**  
26 **a museum and education complex that is owned or leased by**  
27 **an entity that is exempt from income taxation under Section**  
28 **501(c)(3) of the Internal Revenue Code.**

29 **(5) Road, interchange, and right-of-way improvements.**

30 **(6) Public parking facilities.**

31 **(7) All reasonable and necessary architectural, engineering,**  
32 **legal, financing, accounting, advertising, bond discount, and**  
33 **supervisory expenses related to the acquisition and**  
34 **development or redevelopment of the property or the issuance**  
35 **of bonds.**

36 **(8) Debt service, lease payments, capitalized interest, or debt**  
37 **service reserve for the bonds to the extent the commission**  
38 **determines that a reserve is reasonably required.**

SECTION 47. IC 36-7-26-25 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 25. **This section does not apply to a county described in section 1(5) of this chapter.** The board may not approve a resolution under section 16 of this chapter until the board has satisfied itself that the city in which the proposed district will be established has maximized the use of tax increment financing under IC 36-7-14 or IC 36-7-14.5 to finance public improvements within or serving the proposed district, subject to the granting of an additional credit under IC 36-7-14-39.5. The city may not grant property tax abatements to the taxpayers within the proposed district or a district, except that the board may approve a resolution under section 16 of this chapter in the proposed district or a district in which real property tax abatement not to exceed three (3) years has been granted.

SECTION 48. IC 36-7-26-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 26. **(a) Except as provided by subsection (b),** to the extent prescribed by the board, and subject to the terms and conditions established by the board, any money credited to the credit account may be used by the commission, and, if desired by the board, irrevocably pledged by the board, to further secure bonds or a lease agreement issued or entered into under this chapter. Further security includes the following:

- (1) Holding money in the credit account and pledging sums to payment of debt service on bonds issued under or lease rentals payable under this chapter, or maintenance of debt service reserves.
- (2) Transferring money from the credit account to the net increment account or, if desired by the board, to the commission to enable the commission to finance local public improvements.
- (3) Payment of bond insurance premiums or other credit enhancement fees and expenses.

**(b) This subsection applies to a county described in section 1(5) of this chapter. To the extent prescribed by the corporation, and subject to the terms and conditions established by the corporation, any money credited to the credit account may be used by the commission and, if desired by the corporation, irrevocably pledged by the corporation to further secure bonds or a lease agreement issued or entered into under this chapter. Further security includes**

1       the following:

2               (1) Holding money in the credit account and pledging sums to  
3               payment of debt service on bonds issued under or lease rentals  
4               payable under this chapter, or maintenance of debt service  
5               reserves.

6               (2) Transferring money from the credit account to the net  
7               increment account or, if desired by the corporation, to the  
8               commission to enable the commission to finance local public  
9               improvements.

10              (3) Payment of bond insurance premiums or other credit  
11              enhancement fees and expenses.

12              SECTION 49. IC 36-8-8-8.3 IS ADDED TO THE INDIANA CODE  
13              AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
14              1, 2008]: **Sec. 8.3. (a) If the requirements of subsection (b) are**  
15              **satisfied, a fund member who:**

16              **(1) completes at least one (1) year of active service for which**  
17              **the 1977 fund gives credit;**

18              **(2) serves on active duty in the armed services of the United**  
19              **States for at least six (6) months;**

20              **(3) receives an honorable discharge from the armed services;**

21              **(4) is not entitled to receive a benefit from the armed services**  
22              **of the United States or another governmental retirement**  
23              **system for the active duty service; and**

24              **(5) has not received credit in the 1977 fund for the active duty**  
25              **service under another section of this chapter;**

26              **is entitled to service credit in the 1977 fund in an amount equal to**  
27              **the length of the fund member's military service. However, not**  
28              **more than six (6) years of service credit in the 1977 fund may be**  
29              **granted under this section. The service credit granted under this**  
30              **section may be used only in the computation of benefits to be paid**  
31              **after June 30, 2008, and only after the PERF board determines**  
32              **that the fund member is eligible for the service credit in the 1977**  
33              **fund.**

34              **(b) A fund member is entitled to receive service credit in the**  
35              **1977 fund for the active duty service described in subsection (a) if:**

36              **(1) the fund member pays in a lump sum or in a series of**  
37              **payments determined by the PERF board, not to exceed five**

38              **(5) annual payments, the amount the fund member would**



1           have contributed to the 1977 fund, if the fund member had  
2           been a member of the 1977 fund during the active duty  
3           service; and

4           (2) the fund member's employer contributes to the 1977 fund  
5           the amount the PERF board determines necessary to amortize  
6           the active duty service liability over a period determined by  
7           the PERF board, but not more than ten (10) years.

8           (c) An amortization schedule for contributions paid under  
9           subsection (b)(1) or (b)(2) must include interest at a rate  
10          determined by the PERF board.

11          (d) A fund member who:

12           (1) terminates service before satisfying the requirements for  
13           eligibility to receive a retirement benefit payment from the  
14           1977 fund; or

15           (2) receives a retirement benefit for the same service from  
16           another retirement system, other than under the federal  
17           Social Security Act;

18          may withdraw the fund member's contributions made under this  
19          section plus accumulated interest after submitting to the 1977 fund  
20          a properly completed application for a refund.

21          (e) The following apply to the granting of service credit in the  
22          1977 fund under this section:

23           (1) The PERF board may not grant credit for the service if  
24           doing so would exceed the limitations set forth in Section 415  
25           of the Internal Revenue Code.

26           (2) A fund member may not claim the service credit for  
27           purposes of determining eligibility or computing benefits  
28           unless the fund member has made all payments required  
29           under subsection (b)(1).

30          (f) To the extent permitted by the Internal Revenue Code and  
31          applicable regulations, the 1977 fund may accept, on behalf of a  
32          fund member who is purchasing service credit under this section,  
33          a rollover of a distribution from any of the following:

34           (1) A qualified plan described in Section 401(a) or Section  
35           403(a) of the Internal Revenue Code.

36           (2) An annuity contract or account described in Section 403(b)  
37           of the Internal Revenue Code.

38           (3) An eligible plan that is maintained by a state, a political

subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state under Section 457(b) of the Internal Revenue Code.

(4) An individual retirement account or annuity described in Section 408(a) or 408(b) of the Internal Revenue Code.

(g) To the extent permitted by the Internal Revenue Code and the applicable regulations, the 1977 fund may accept, on behalf of a fund member who is purchasing service credit under this section, a trustee to trustee transfer from any of the following:

(1) An annuity contract or account described in Section 403(b) of the Internal Revenue Code.

(2) An eligible deferred compensation plan under Section 457(b) of the Internal Revenue Code.

(h) Notwithstanding any provision in this section, a fund member is entitled to service credit and benefits in the amount and to the extent required by the federal Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later amendments.

(i) Before implementing this section, the PERF board may request from the Internal Revenue Service any rulings or determination letters that the PERF board considers necessary or appropriate.

SECTION 50. IC 36-8-8-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 8.5. (a) This section applies to a fund member who, after June 30, 2008, completes active service for which the 1977 fund gives credit.

(b) A fund member may purchase not more than two (2) years of service credit for the fund member's service on active duty in the armed services of the United States if the fund member meets the following conditions:

(1) The fund member has at least one (1) year of active service for which the 1977 fund gives credit.

(2) The fund member serves on active duty in the armed services of the United States for at least six (6) months.

(3) The fund member receives an honorable discharge from the armed services.

(4) Before the fund member applies to receive a retirement

benefit payment, the fund member makes contributions to the 1977 fund as follows:

(A) Contributions that are equal to the product of the following:

(i) The salary of a first class patrolman or firefighter at the time the fund member actually makes a contribution for the service credit.

(ii) A rate, determined by the actuary of the 1977 fund, that is based on the age of the fund member at the time the fund member actually makes a contribution for service credit and is computed to result in a contribution amount that approximates the actuarial present value of the retirement benefit attributable to the service credit purchased.

(iii) The number of years of service credit the fund member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the 1977 fund, for the period from the fund member's initial membership in the 1977 fund to the date payment is made by the fund member.

(C) A fund member may not receive service credit under this section if the military service for which the fund member requests credit also qualifies the fund member for a benefit in a military or another governmental retirement system.

(d) A fund member who:

(1) terminates service before satisfying the requirements for eligibility to receive a retirement benefit payment from the 1977 fund; or

(2) receives a retirement benefit for the same service from another retirement system, other than under the federal Social Security Act;

may withdraw the fund member's contributions made under this section plus accumulated interest after submitting to the 1977 fund a properly completed application for a refund.

(e) The following apply to the purchase of service credit under this section:

(1) The PERF board may allow a fund member to make periodic payments of the contributions required for the

1 purchase of service credit. The PERF board shall determine  
 2 the length of the period during which the payments are to be  
 3 made.

4 (2) The PERF board may deny an application for the  
 5 purchase of service credit if the purchase would exceed the  
 6 limitations set forth in Section 415 of the Internal Revenue  
 7 Code.

8 (3) A fund member may not claim the service credit for  
 9 purposes of determining eligibility or computing benefits  
 10 unless the fund member has made all payments required for  
 11 the purchase of the service credit.

12 (f) To the extent permitted by the Internal Revenue Code and  
 13 applicable regulations, the 1977 fund may accept, on behalf of a  
 14 fund member who is purchasing service credit under this section,  
 15 a rollover of a distribution from any of the following:

16 (1) A qualified plan described in Section 401(a) or Section  
 17 403(a) of the Internal Revenue Code.

18 (2) An annuity contract or account described in Section 403(b)  
 19 of the Internal Revenue Code.

20 (3) An eligible plan that is maintained by a state, a political  
 21 subdivision of a state, or an agency or instrumentality of a  
 22 state or political subdivision of a state under Section 457(b) of  
 23 the Internal Revenue Code.

24 (4) An individual retirement account or annuity described in  
 25 Section 408(a) or 408(b) of the Internal Revenue Code.

26 (g) To the extent permitted by the Internal Revenue Code and  
 27 the applicable regulations, the 1977 fund may accept, on behalf of  
 28 a fund member who is purchasing service credit under this section,  
 29 a trustee to trustee transfer from any of the following:

30 (1) An annuity contract or account described in Section 403(b)  
 31 of the Internal Revenue Code.

32 (2) An eligible deferred compensation plan under Section  
 33 457(b) of the Internal Revenue Code.

34 (h) Notwithstanding any provision in this section, a fund  
 35 member is entitled to service credit and benefits in the amount and  
 36 to the extent required by the federal Uniformed Services  
 37 Employment and Reemployment Rights Act (38 U.S.C. 4301 et  
 38 seq.), including all later amendments.

(i) Before implementing this section, the PERF board may request from the Internal Revenue Service any rulings or determination letters that the PERF board considers necessary or appropriate.

SECTION 51. IC 36-9-4-42 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 42. (a) A municipality or a public transportation corporation that expends money for the establishment or maintenance of an urban mass transportation system under this chapter may acquire the money for these expenditures:

(1) by issuing bonds under section 43 or 44 of this chapter;

(2) by borrowing money made available for such purposes by any source;

(3) by accepting grants or contributions made available for such purposes by any source;

(4) in the case of a municipality, by appropriation from the general fund of the municipality, or from a special fund that the municipal legislative body includes in the municipality's budget; or

(5) in the case of a public transportation corporation, **one (1) or both of the following:**

(A) By levying a tax under section 49 of this chapter. ~~or~~

(B) By ~~recommending an election~~ **electing** to use revenue from the county option income taxes, as provided in subsection (c).

(b) Money may be acquired under this section for the purpose of exercising any of the powers granted by or incidental to this chapter, including:

(1) studies under section 4, 9, or 11 of this chapter;

(2) grants in aid;

(3) the purchase of buses or real property by a municipality for lease to an urban mass transportation system, including the payment of any amount outstanding under a mortgage, contract of sale, or other security device that may attach to the buses or real property;

(4) the acquisition by a public transportation corporation of property of an urban mass transportation system, including the payment of any amount outstanding under a mortgage, contract of sale, or other security device that may attach to the property;

(5) the operation of an urban mass transportation system by a public transportation corporation, including the acquisition of additional property for such a system; and

(6) the retirement of bonds issued and outstanding under this chapter.

(c) This subsection applies only to a public transportation corporation located in a county having a consolidated city. ~~In order to provide revenue to a~~ **During each year that the county option income tax is in effect in the county, the** public transportation corporation ~~during a year, the public transportation corporation board may recommend and the county fiscal body may elect to provide revenue to the corporation shall receive three percent (3%) from the~~ part of the certified distribution, if any, that the county is to receive during that same year under IC 6-3.5-6-17. ~~To make the election, the county fiscal body must adopt an ordinance before September 1 of the preceding year. The county fiscal body must specify in the ordinance the amount of the certified distribution that is to be used to provide revenue to the corporation. If such an ordinance is adopted, the county fiscal body shall immediately send a copy of the ordinance to the county auditor.~~

SECTION 52. IC 36-9-42 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]:

**Chapter 42. Transit Development Districts**

**Sec. 1. This chapter applies only to units:**

- (1) that are not townships; and
- (2) that are located within the boundaries of a regional transit authority.

**Sec. 2. As used in this chapter, "gross retail base period amount" means the total amount of state gross retail and use taxes remitted under IC 6-2.5 by the businesses operating in the territory comprising a transit development district during the full state fiscal year that precedes the date on which the transit development district was established under section 5 of this chapter.**

**Sec. 3. As used in this chapter, "gross retail incremental amount" means the remainder of:**

- (1) the total amount of state gross retail and use taxes that are remitted under IC 6-2.5 by businesses operating in the

territory comprising a transit development district during a state fiscal year; minus

(2) the gross retail base period amount plus the amount of growth of the state gross retail and use tax based on the Consumer Price Index that would be expected to occur without the presence of the transit district;

as determined by the department of state revenue.

Sec. 4. As used in this chapter, "regional transit authority" means an entity:

(1) that is eligible to receive federal transportation funding under Title 49 of the United States Code; and

(2) that is either:

(A) a regional transportation authority established under IC 36-9-3; or

(B) the northwest Indiana regional development authority established under IC 36-7.5-2-1.

Sec. 5. The fiscal body of a unit may adopt an ordinance to establish a transit development district. The ordinance creating a transit development district must specify the territorial boundaries of the district. The territorial boundaries of the district may not extend beyond the boundaries of the regional transit authority within which the unit is located.

Sec. 6. The fiscal body of a unit may adopt an ordinance to dissolve a transit development district that was created by the unit. However, the fiscal body of a unit may not adopt an ordinance to dissolve the transit development district under this subsection earlier than the date three (3) years after the date on which the ordinance creating the transit development district was adopted.

Sec. 7. Before the first business day in October of each year, the department of state revenue shall calculate the gross retail incremental amount for the preceding state fiscal year for each transit development district designated under this chapter.

Sec. 8. (a) The treasurer of state shall establish an incremental tax financing fund. The treasurer of state shall establish an account within the incremental tax financing fund for each transit development district designated under this chapter. The treasurer of state shall administer the fund. Money in the fund does not revert to the state general fund at the end of a state fiscal year.

1       (b) Subject to subsection (c), during each state fiscal year, the  
 2       department of state revenue shall deposit in the account established  
 3       for a transit development district under subsection (a) the total  
 4       amount of state gross retail and use taxes that are remitted under  
 5       IC 6-2.5 by businesses operating in the transit development district,  
 6       until the amount of state gross retail and use taxes deposited equals  
 7       the gross retail incremental amount for the transit development  
 8       district.

9       (c) Not more than five million dollars (\$5,000,000) may be  
 10       deposited in a particular account established under subsection (a)  
 11       for a transit development district over the life of the transit  
 12       development district.

13       (d) On or before the twentieth day of each month, the treasurer  
 14       of state shall distribute all amounts held in the account established  
 15       under subsection (a) for a transit development district to the unit  
 16       that established the transit development district for deposit in the  
 17       transit development district tax increment fund established under  
 18       section 9(a) of this chapter.

19       Sec. 9. (a) Each unit that establishes a transit development  
 20       district under this chapter shall establish a transit development  
 21       district tax increment fund to receive money distributed to the unit  
 22       under section 8 of this chapter.

23       (b) The fiscal body of a unit that creates a transit development  
 24       district shall appropriate money deposited in the unit's transit  
 25       development district tax increment fund to the regional transit  
 26       authority whose boundaries contain the transit development  
 27       district.

28       Sec. 10. (a) Except as provided in subsection (b), a regional  
 29       transit authority shall use the funds appropriated to the regional  
 30       transit authority under section 9(b) of this chapter for the purposes  
 31       authorized by the statute under which the regional transit  
 32       authority was established as referred to in section 4(2) of this  
 33       chapter.

34       (b) Except as provided in subsection (c), each regional transit  
 35       authority receiving an appropriation under section 9(b) of this  
 36       chapter shall deposit twenty-five percent (25%) of each  
 37       appropriation into the regional transportation authority formation  
 38       fund established under IC 8-23-28-1.



(c) A regional transit authority is not required to make the deposit required under subsection (b) if the total of all deposits made by regional transit authorities under subsection (b) has reached one million dollars (\$1,000,000).

SECTION 53. IC 6-3-4-1.5 IS REPEALED [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)].

SECTION 54. IC 8-9.5-7 IS REPEALED [EFFECTIVE JULY 1, 2008].

SECTION 55. P.L.196-2007, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2001 (RETROACTIVE)]: SECTION 7. (a) The definitions in IC 6-1.1-1 apply to this SECTION.

(b) This SECTION applies only to an entity that meets all of the following conditions:

(1) The entity is:

(A) a nonprofit:

(i) corporation; or

(ii) limited liability company;

that is organized for educational, literary, scientific, religious, or charitable purposes; or

(B) a local chapter of a nonprofit ~~corporation~~ entity referred to in clause (A).

(2) For the assessment date in a calendar year after 2000:

(A) tangible property owned by the entity was, except for the entity's failure to timely file an application under IC 6-1.1-11 for property tax exemption, otherwise eligible for an exemption;

(B) the entity failed to timely file an application under IC 6-1.1-11 for property tax exemption for the tangible property for the assessment date; and

(C) the entity's tangible property was subject to taxation for the assessment date.

(3) The tangible property, or other property owned by the entity in the same county, was exempt from taxation in either:

(A) the calendar year before the year containing the assessment date described in subdivision (2); or

(B) the calendar year two (2) years before the year containing the assessment date described in subdivision (2).

(c) Notwithstanding any provision of IC 6-1.1-11 or any other law specifying the date by which an application for property tax exemption must be filed to claim an exemption for a particular assessment date, an entity described in subsection (b) may before January 1, 2008, file with the county assessor an application for property tax exemption for an assessment date described in subsection (b)(2).

(d) Notwithstanding any provision of IC 6-1.1-11 or any other law, an application for property tax exemption filed under subsection (c) is considered to be timely filed, and the county property tax assessment board of appeals shall grant an exemption claimed for the assessment date on the application upon the county property tax assessment board of appeals's determination that:

(1) the entity's application for property tax exemption satisfies all other applicable requirements; and

(2) the entity's tangible property was, except for the failure to timely file an application for property tax exemption, otherwise eligible for the claimed exemption.

(e) If an entity has previously paid the tax liability for tangible property for an assessment date and the property is granted an exemption under this SECTION for that assessment date, the county auditor shall issue a refund of the property tax paid by the entity. An entity is not required to apply for any refund due under this SECTION. The county auditor shall, without an appropriation being required, issue a warrant to the entity payable from the county general fund for the amount of the refund, if any, due the entity. No interest is payable on the refund.

(f) This SECTION expires January 1, 2009.

**SECTION 56. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)] IC 6-1.1-12.1-4.5 and IC 6-1.1-40-10, both as amended by this act, applies to property taxes imposed for an assessment date after January 15, 2007.**

**SECTION 57. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "eligible district" means a fire protection district established under IC 36-8-11:**

**(1) that expanded its territory after 1998; and**

**(2) for which the quotient of:**

**(A) the taxable assessed value of all tangible property in the district for the assessment date (as defined in**

- 1           **IC 6-1.1-1-2) in 2004; divided by**  
 2           **(B) subject to subsection (b), the taxable assessed value of**  
 3           **all tangible property in the district for the assessment date**  
 4           **(as defined in IC 6-1.1-1-2) in 1999;**  
 5           **is at least one and one-half (1.5).**  
 6           **(b) To account for the change in the definition of "assessed**  
 7           **value" reflected in IC 6-1.1-1-3(a)(1) and IC 6-1.1-1-3(a)(2), the**  
 8           **taxable assessed value to be used for purposes of subsection**  
 9           **(a)(2)(B) is the product of:**  
 10           **(1) the actual taxable assessed value; multiplied by**  
 11           **(2) three (3).**  
 12           **(c) An eligible district may, before September 20, 2008, appeal**  
 13           **to the department of local government finance for relief from the**  
 14           **levy limitations imposed by IC 6-1.1-18.5 for property taxes first**  
 15           **due and payable in 2009. In the appeal, the district must:**  
 16           **(1) state that the district will be unable to carry out the**  
 17           **governmental functions committed to the district by law**  
 18           **unless the appeal is approved; and**  
 19           **(2) present evidence that the district is an eligible district.**  
 20           **(d) The maximum increase in an eligible district's levy allowed**  
 21           **under this SECTION is two hundred twelve thousand five hundred**  
 22           **dollars (\$212,500).**  
 23           **(e) The department of local government finance shall process**  
 24           **the appeal in the same manner that the department processes**  
 25           **appeals under IC 6-1.1-18.5-12.**  
 26           **(f) For purposes of computing an eligible district's ad valorem**  
 27           **property tax levy for taxes first due and payable in 2010, the**  
 28           **district's maximum permissible ad valorem property tax levy for**  
 29           **property taxes first due and payable in 2009 under STEP ONE of**  
 30           **IC 6-1.1-18.5-3(a) or STEP ONE of IC 6-1.1-18.5-3(b) includes the**  
 31           **amount of any increase in the district's levy approved under this**  
 32           **SECTION for property taxes first due and payable in 2009.**  
 33           **(g) This SECTION expires January 1, 2011."**  
 34           Page 28, between lines 3 and 4, begin a new paragraph and insert:  
 35           "SECTION 59. [EFFECTIVE UPON PASSAGE] **The amendment**  
 36           **of IC 6-2.3-3-5 by this act shall be interpreted to clarify and not to**  
 37           **change the general assembly's intent with respect to IC 6-2.5-3-5."**  
 38           Page 28, delete lines 7 through 9.

Page 28, delete lines 20 through 22, begin a new paragraph and insert:

"SECTION 64. [EFFECTIVE JANUARY 1, 2007 (RETROACTIVE)] (a) The definitions in IC 6-1.1-1 apply in subsection (b).

(b) A civil taxing unit may appeal for an excessive ad valorem property tax levy for property taxes first due and payable in 2008 under IC 6-1.1-18.5-12 and IC 6-1.1-18.5-16 on the grounds stated in IC 6-1.1-18.5-16(a) except that:

(1) the deadline of December 31, 2007, under IC 6-1.1-18.5-12(a) does not apply to the appeal; and

(2) the deadline for the appeal is May 1, 2008.

(c) The definitions in IC 20-18-2 apply in subsection (d).

(d) A school corporation may appeal for an excessive ad valorem property tax levy for property taxes first due and payable in 2008 under IC 6-1.1-19, IC 20-45-4-4, and IC 20-45-6-5 on the grounds stated in IC 20-45-6-5(a)(2)(A) except that:

(1) the deadline of December 31, 2007, under IC 20-45-4-4 does not apply to the appeal; and

(2) the deadline for the appeal is May 1, 2008.

(e) If an appeal under this SECTION is approved:

(1) the deadline of February 15, 2008, under IC 6-1.1-17-16(h) does not apply to the actions of the department of local government finance under IC 6-1.1-17-16 for property taxes first due and payable in 2008 with respect to the following:

(A) The county in which the following are located:

(i) One (1) or more civil taxing units for which the appeal is approved.

(ii) One (1) or more school corporations for which the appeal is approved.

(B) The civil taxing units and school corporations located wholly or partially in the county referred to in clause (A);

(2) the deadlines under IC 6-1.1-22 do not apply in the county referred to in subdivision (1)(A) to the mailing or transmitting of statements and information and the payment of property taxes; and

(3) subject to subsection (f), the county treasurer shall set a schedule for the mailing or transmitting of statements and

1 information and the payment of property taxes.

2 (f) Subsection (e) does not affect the authority of the county  
3 treasurer to use provisional statements under IC 6-1.1-22.5 if that  
4 chapter applies.

5 (g) This SECTION expires January 1, 2009.

6 SECTION 65. [EFFECTIVE UPON PASSAGE] (a) This  
7 SECTION applies only to salaries paid for pay periods beginning  
8 after June 30, 2008.

9 (b) As used in this SECTION, "district forester" means any  
10 position on the state staffing table with a job code of "001LE2" and  
11 a description of "Forester Specialist 2".

12 (c) As used in this SECTION, "natural sciences manager"  
13 means any position on the state staffing table with a job code of  
14 "00ENS7" and a description of "Natural Sciences Manager E7".

15 (d) As used in this SECTION, "state staffing table" means a  
16 position classification plans and salary and wage schedule adopted  
17 by the state personnel department (established by IC 4-15-1.8-2)  
18 under IC 4-15-1.8-7.

19 (e) For pay periods beginning after June 30, 2008, the state  
20 personnel department shall equalize the salary and wage schedules  
21 for the positions of district forester and natural sciences manager  
22 so that both positions share the higher of the two (2) wage and  
23 salary schedules for these positions existing on April 1, 2008. For  
24 pay periods beginning after June 30, 2008, the department of  
25 natural resources (created by IC 14-9-1-1) shall increase the wages  
26 and salaries of all district foresters and natural sciences managers  
27 to bring the wages and salaries into conformity with the salary and  
28 wage schedules required by this SECTION.

29 SECTION 66. [EFFECTIVE UPON PASSAGE] The trustees of  
30 the following institution may issue and sell bonds under IC 21-34,  
31 subject to the approvals required by IC 21-33-3, for the following  
32 project if the sum of principal costs of any bond issued under this  
33 SECTION, excluding amounts necessary to provide money for debt  
34 service reserves, credit enhancement, or other costs incidental to  
35 the issuance of the bonds, does not exceed the total authority listed  
36 below for that institution:

37	Indiana University, Purdue University at Fort Wayne	
38	Student Services and Library Complex	\$16,000,000

**Bonds issued under this SECTION are not eligible for fee replacement appropriations. The bonding authority granted by this SECTION is in addition to any bonding authority granted to the trustees of the institution for a student services and library complex by P.L.234-2007, SECTION 179(a).**

SECTION 67. P.L.234-2007, SECTION 173, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: SECTION 173. (a) As used in this SECTION, "commission" refers to the commission on disproportionality in youth services.

(b) As used in this SECTION, "youth services" means the following:

- (1) Juvenile justice services.
- (2) Child welfare services.
- (3) Education services.
- (4) Mental health services.

(c) The commission on disproportionality in youth services is established to develop and provide an implementation plan to evaluate and address disproportionate representation of youth of color in the use of youth services.

(d) The commission consists of the following members appointed not later than August 15, 2007:

- (1) The dean or a faculty member of an Indiana accredited graduate school of public administration, social work, education, mental health, or juvenile justice, who shall serve as chairperson of the commission.
- (2) The state superintendent of public instruction, or the superintendent's designee.
- (3) The director of the division of mental health and addiction, or the director's designee.
- (4) The executive director of the Indiana criminal justice institute, or the executive director's designee.
- (5) The director of the department of child services, or the director's designee.
- (6) The commissioner of the department of correction, or the commissioner's designee.
- (7) A division of child services county director from a densely populated county.
- (8) A faculty member of an Indiana accredited college or university that offers undergraduate degrees in public

- 1 administration, social work, education, mental health, or juvenile
- 2 justice.
- 3 (9) A prosecuting attorney.
- 4 (10) A juvenile court judge.
- 5 (11) An attorney who specializes in juvenile law.
- 6 (12) A representative of the Indiana Minority Health Coalition.
- 7 (13) A health care provider who specializes in pediatric or
- 8 emergency medicine.
- 9 (14) A public agency family case manager.
- 10 (15) A private agency children's service social worker.
- 11 (16) A school counselor or social worker.
- 12 (17) A representative of law enforcement.
- 13 (18) A guardian ad litem, court appointed special advocate, or
- 14 other child advocate.
- 15 (19) The chairperson of an established advocacy group in Indiana
- 16 that has previously investigated the issue of disproportionality in
- 17 use of youth services.
- 18 (20) A young adult who has previous involvement with at least
- 19 one (1) youth service.
- 20 (21) A representative of foster parents or adoptive parents.
- 21 (22) A representative of a state teacher's association or a public
- 22 school teacher.
- 23 (23) A child psychiatrist or child psychologist.
- 24 (24) A representative of a family support group.
- 25 (25) A representative of the National Alliance on Mental Illness.
- 26 (26) A representative of the commission on the social status of
- 27 black males.
- 28 (27) A representative of the Indiana Juvenile Detention
- 29 Association.
- 30 (28) A representative of the commission on Hispanic/Latino
- 31 affairs.
- 32 (29) A representative of the civil rights commission.
- 33 (30) Two (2) members of the house of representatives appointed
- 34 by the speaker of the house of representatives. The members
- 35 appointed under this subdivision may not be members of the same
- 36 political party and serve as nonvoting members.
- 37 (31) Two (2) members of the senate appointed by the president
- 38 pro tempore of the senate. The members appointed under this

1 subdivision may not be members of the same political party and  
2 serve as nonvoting members.

3 The governor shall appoint the members under subdivisions (1), (7),  
4 (10), (13), (16), (19), (22), (25), (28), and (29). The speaker of the  
5 house of representatives shall appoint the members under subdivisions  
6 (8), (11), (14), (17), (20), (23), (26), and (30). The president pro  
7 tempore of the senate shall appoint the members under subdivisions  
8 (9), (12), (15), (18), (21), (24), (27), and (31). Vacancies shall be filled  
9 by the appointing authority for the remainder of the unexpired term.

10 (e) Each member of the commission shall have an interest in or  
11 influence on evaluating and addressing disproportionate representation  
12 of youth of color in the use of youth services.

13 (f) A majority of the voting members of the commission constitutes  
14 a quorum.

15 (g) The Indiana accredited graduate school represented by the  
16 chairperson of the commission under subsection (d)(1) shall staff the  
17 commission.

18 (h) The commission shall meet at the call of the chairperson and  
19 shall meet as often as necessary to carry out the purposes of this  
20 SECTION.

21 (i) Each member of the commission who is not a state employee is  
22 entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b).  
23 The member is also entitled to reimbursement for traveling expenses  
24 as provided under IC 4-13-1-4 and other expenses actually incurred in  
25 connection with the member's duties as provided in the state policies  
26 and procedures established by the Indiana department of administration  
27 and approved by the budget agency.

28 (j) Each member of the commission who is a state employee but  
29 who is not a member of the general assembly is entitled to  
30 reimbursement for traveling expenses as provided under IC 4-13-1-4  
31 and other expenses actually incurred in connection with the member's  
32 duties as provided in the state policies and procedures established by  
33 the Indiana department of administration and approved by the budget  
34 agency.

35 (k) Each member of the commission who is a member of the general  
36 assembly is entitled to receive the same per diem, mileage, and travel  
37 allowances paid to legislative members of interim study committees  
38 established by the legislative council. Per diem, mileage, and travel



allowances paid under this subsection shall be paid from appropriations made to the legislative council or the legislative services agency.

(l) The commission's responsibilities include the following:

(1) Reviewing Indiana's public and private child welfare, juvenile justice, mental health, and education service delivery systems to evaluate disproportionality rates in the use of youth services by youth of color.

(2) Reviewing federal, state, and local funds appropriated to address disproportionality in the use of youth services by youth of color.

(3) Reviewing current best practice standards addressing disproportionality in the use of youth services by youth of color.

(4) Examining the qualifications and training of youth service providers and making recommendations for a training curriculum and other necessary changes.

(5) Recommending methods to improve use of available public and private funds to address disproportionality in the use of youth services by youth of color.

(6) Providing information concerning identified unmet youth service needs and providing recommendations concerning the development of resources to meet the identified needs.

(7) Suggesting policy, program, and legislative changes related to youth services to accomplish the following:

(A) Enhancement of the quality of youth services.

(B) Identification of potential resources to promote change to enhance youth services.

(C) Reduction of the disproportionality in the use of youth services by youth of color.

(8) Preparing a report consisting of the commission's findings and recommendations, and the presentation of an implementation plan to address disproportionate representation of youth of color in use of youth services.

(m) In carrying out the commission's responsibilities, the commission shall consider pertinent studies concerning disproportionality in use of youth services by youth of color.

(n) The affirmative votes of a majority of the commission's voting members are required for the commission to take action on any measure, including recommendations included in the report required

1 under subsection (l)(8).

2 (o) The commission shall submit the report required under  
3 subsection (l)(8) to the governor and to the legislative council not later  
4 than ~~August 15, 2008~~ **October 15, 2008**. The report to the legislative  
5 council must be in an electronic format under IC 5-14-6. The  
6 commission shall make the report available to the public upon request  
7 not later than December 1, 2008.

8 (p) There is appropriated from the state general fund one hundred  
9 twenty-five thousand (\$125,000) dollars for the period beginning July  
10 1, 2007, and ending December 31, 2008, to carry out the purposes of  
11 this SECTION, including the hiring by the chairperson of an individual  
12 to serve only to assist the chairperson and members with research,  
13 statistical analysis, meeting support, and drafting of the report required  
14 under subsection (l)(8).

15 (q) This SECTION expires January 1, 2009.

16 SECTION 68. [EFFECTIVE JANUARY 1, 2009] **(a) The**  
17 **definitions in IC 6-3.1-32, as added by this act, apply throughout**  
18 **this SECTION.**

19 **(b) IC 6-3.1-32, as added by this act, applies only to:**

20 **(1) federally qualified equity investments initially made; and**

21 **(2) taxable years beginning;**

22 **after December 31, 2008."**

23 Renumber all SECTIONS consecutively.

(Reference is to SB 19 as reprinted January 29, 2008.)

**and when so amended that said bill do pass.**

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Representative Crawford